



**CAYMAN ISLANDS  
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT  
ELECTRONIC VERSION**

**2014/15 SESSION**

**15 September 2014**

*Fourth Sitting of the Second Meeting*

*(pages 435-490)*

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

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PRESENT WERE:

**SPEAKER**

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

**MINISTERS OF THE CABINET**

Hon Alden McLaughlin, MBE, JP, MLA	<i>The Premier</i> , Minister of Home and Community Affairs
Hon Moses I Kirkconnell, JP, MLA	<i>Deputy Premier</i> , Minister of District Administration, Tourism and Transport
Hon D Kurt Tibbetts, OBE, JP, MLA	Minister of Planning, Lands, Agriculture, Housing and Infrastructure
Hon Marco S Archer, 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 I Manderson, Cert. Hon., JP	Deputy Governor, ex officio Member responsible for the Civil Service
Hon Samuel W Bulgin, QC, JP	Attorney General, ex officio Member responsible for Legal Affairs

**ELECTED MEMBERS**

**GOVERNMENT BACKBENCHERS**

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

**OPPOSITION MEMBERS**

Mr Bernie A Bush, MLA	Third Elected Member for West Bay
Capt A Eugene Ebanks, JP, MLA	Fourth Elected Member for West Bay

**INDEPENDENT MEMBERS**

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

**APOLOGIES**

Hon. W. McKeever Bush, OBE, JP, MLA	<i>Leader of the Opposition</i> , First Elected Member for West Bay
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**OFFICIAL HANSARD REPORT**  
**SECOND MEETING OF THE 2014/15 SESSION**  
**MONDAY**  
**15 SEPTEMBER 2014**  
**10:17 AM**  
*Fourth Sitting*

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

**The Speaker:** I will ask the honourable Member for East End to say Prayers.

**PRAYERS**

**Mr. V. Arden McLean, Elected Member for East End:** Let us pray.

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

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

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

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

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

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

**APOLOGY**

**The Speaker:** I have received apologies from the Honourable Leader of the Opposition.

**SUSPENSION OF STANDING ORDER 23(6)**

**The Speaker:** recognise the Honourable Deputy Premier for the suspension of Standing Order 23(6).

**Hon. Moses I. Kirkconnell, Deputy Premier, Minister of District Administration, Tourism and Transport:** Madam Speaker, I move the suspension of Standing Order 23(6).

**The Speaker:** The question is that Standing Order 23(6) be suspended. All those in favour, please say Aye. Those against, No.

**AYES.**

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

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

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

**QUESTION 7: CAYMAN AIRWAYS TRAVEL  
BENEFITS**

**Mr. D. Ezzard Miller, Member for North Side** asked the Honourable Minister of District Administration, Tourism and Transport: Can the Hon. Minister state what travel benefits are provided by Cayman Airways to board members and staff during and after tenure?

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** The answer: In lieu of any monetary compensation from Cayman Airways for

the time and service given by board members, they are currently entitled to the following travel privileges: coach class, positive space travel, excluding taxes and fees for board members, spouses and children up to the age of 18 years. Bookings are in Business Class when available. If unavailable at the time of booking there will be eligibility for the day of departure upgrades, should it become available.

**The Speaker:** Honourable Deputy Premier, if you could give us a moment, I do not believe that the answer is in circulation yet for the Member asking the question to have an opportunity to see.

Can I just ask you to give the Serjeant the copy you are reading? Apparently, they have not received the necessary copies for circulation.

**Hon. Moses I. Kirkconnell:** Yes Madam Speaker.

*[Inaudible interjections]*

**The Speaker:** It would be good if the Chair was as informed as the Member for East End as to the operation of Parliament. But I am grateful for your advising me that we are not in possession of any answers.

*[Inaudible interjection]*

**The Speaker:** Can I have an indication from the Ministers who are responsible for answering questions this morning, as to whether or not they are in possession of the necessary copies? Or, can they please notify their staff so that we can get an indication as to how long the suspension will be? I do not want to suspend for 10 minutes and then we find out that it is going to be a longer period of time. Can we get some indication as to where we are at with answers?

Ten minutes? Is that the consensus?

Okay, we will suspend for 10 minutes. I am asking Members to please make it 10 minutes because we have a full agenda and want to conclude today, if at all possible.

**Proceedings suspended at 10.27 am**

**Proceedings resumed at 10.44 am**

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

## QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

*[Continuation thereof]*

**The Speaker:** I recognise the Honourable Deputy Premier continuing with his response.

## QUESTION 7: CAYMAN AIRWAYS TRAVEL BENEFITS

**Hon. Moses I. Kirkconnell:** Thank you, Madam Speaker.

In lieu of any monetary compensation from Cayman Airways for the time and service given by board members, they are currently entitled to the following travel privileges: coach class, positive space travel, excluding taxes and fees for board members, spouses and children up to the age of 18 years. Bookings are in Business Class when available. If unavailable at the time of booking there will be eligibility for the day of departure upgrades, should it become available.

Parent benefit is consistent with that of industry employees (see Cayman Airways employee parent benefit below).

The benefits outlined above are for the duration of service as a member of the board. After this time is passed, retiree benefits will continue for a period of time equivalent to that period served on the board. Those retiree benefits are as follows: unlimited coach space available travel, excluding taxes and fees. Three positive space passes, excluding taxes and fees per annum for each retiree, spouse and children up to the age of 18 years.

Staff: in keeping with airline industry practice and with a view to minimising wage expense by offering a no-cost incentive to the staff, active and retired staff with 20 years or more service have access to inventory that would otherwise go unsold. As such, they are entitled to receive the following travel benefits from Cayman Airways as part of their remuneration of retirement or retirement package.

Coach class space-available (standby) travel based on priority by length of service for the employee, their spouse and independent children up to the age of 18 (or 24 if in full time school). Unmarried active employees receive two to six space-available (standby) "companion" passes each year for a designated travel companion, depending on the length of service. Consistent with the industry, each employee is also entitled to space-available passes for their parents.

Each employee is also entitled to one vacation pass with a higher priority than normal standby, but one subject to strict blackout periods and other restrictions to ensure that revenue is not displaced.

These space-available and other travel passes attract a variety of charges depending on gateway and factors, including administrative service charges, taxes and fees. Additionally, there are restrictions on availability and usage as determined and enforced by revenue management to ensure no revenue dilution. The travel benefit for active staff is only available outside of probationary periods and is a privilege available to employees in good standing.

**The Speaker:** I recognise the honourable Member for North Side.

### SUPPLEMENTARIES

**Mr. D. Ezzard Miller:** Through you, Madam Speaker, to the Minister: Can the Minister say whether the unlimited use in the penultimate paragraph unlimited coach space-available is related to the number of board members per flight or the number of tickets that each board member can get while serving as a member?

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Madam Speaker, I would have to send that back, but I am going to do my best to give you my opinion. It would be based on the yield management of the plane itself.

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

**Mr. D. Ezzard Miller:** Madam Speaker, I am not sure what “yield management” means, but I am sure he will explain that in the written reply. I do not know anything about the airline industry.

Madam Speaker, it is my understanding that the policy outlaid here for board members was introduced while Mr. Anderson was the CEO. It is also my understanding that it was reversed to the original policy prior to him becoming CEO when it was a lifetime benefit. Can the Minister confirm that this is the exact position and it is no longer a lifetime benefit?

And, how does this policy affect those people who served prior to the introduction that it would only exist for the period that one sat on the board or that period thereafter? In other words, my understanding is that there are certain board members who served in the '70s, '80s and '90s who are still enjoying these benefits. And if I have read the policy correctly, what it says is that if you have served for two years, the member will only receive those benefits for two years after leaving.

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** The answer I have to this question is what has been provided to me. I am happy to go back and ask the question that he has just asked and provide the answer in writing.

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

**Mr. D. Ezzard Miller:** A similar question about the staff. Are there any quantity restrictions to staff members, or can they receive a free ticket every week for the year? I noticed that when it comes to the “companion passes” (and maybe it could be explained to the public what a “companion pass” means) they can

only get a maximum of six, but I wonder if there is a similar limit for employee travel per year or if they could get 365 or multiples thereof, depending on which flights they are taking and where they are going.

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Madam Speaker, my understanding of a “companion pass” is that [the companion] travels with the employee of Cayman Airways.

The yield management of a plane, again, as I understand it, is done by wanting to maximise the revenue of that plane. Therefore there are a certain number of seats sold at one price, and another certain number of seats that are sold at another price, and there are a certain number of seats that you sell at the third or fourth price. The price depends on the time when the seat is being sold because, as you become closer to the flight time, obviously, the price of the seat would change depending on what that yield management programme says it should do.

I can only assume that the benefit which the honourable Member asked about, as far as to how many passes are available, would be based on the number of seats that yield management would feel they could release to have the employees fly on space-available.

**The Speaker:** The next question, Madam Clerk.

*[Inaudible interjection]*

**The Speaker:** Okay, I will allow two more. I did not catch your eye before that, sorry.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker. You have to give me a little time to assimilate the answer before I decide whether or not I have a supplementary.

On the yield management formula, what is the point in terms of load factor that no employee would be given a pass of 75 per cent booked, 100 per cent booked, 20 per cent booked? Or can an employee request a pass a half hour before the aircraft departs and if there was a seat available they would get the pass?

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Madam Speaker, again, I do not have that answer, but I will try to provide it in writing for the Member.

**The Speaker:** If there are no more supplementaries I will move on to the next question.

**QUESTION 8: SALARY SCALES FOR PORT DIRECTOR, CAYMAN AIRWAYS CEO, AND CAYMAN ISLANDS AIRPORTS AUTHORITY CEO**

**Mr. D. Ezzard Miller** asked the Honourable Minister of District Administration, Tourism and Transport: Can the Hon. Minister provide the salary scales for the Port Director, Cayman Airways CEO, and the Cayman Islands Airports Authority CEO?

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Madam Speaker, the answer: The Port Director, CI\$180,000 to CI\$204,000 per year; Cayman Airways CEO, \$150,000 to \$180,000 per; Cayman Islands Airports Authority CEO, \$152,000 to \$160,000 per year.

**The Speaker:** Member for North Side, do you need some assimilation time for this question?

*[Laughter and inaudible interjections]*

**SUPPLEMENTARIES**

**The Speaker:** I recognise the honourable Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, the supplementary is so blatantly obvious, that the assimilation time is very small.

Can the Minister say why the Cayman Islands Airports Authority CEO is valued so little in comparison to the Port Director and Cayman Airways CEO?

**The Speaker:** Honourable Deputy Premier.

*[Inaudible interjection]*

**Mr. D. Ezzard Miller:** You told us you were going to take care of that. Remember?

**Hon. Moses I. Kirkconnell:** Madam Speaker, I think I am the one who needs time to assimilate.

My direct [answer] is that no, I cannot tell you why he would be worth less than the others.

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

**Mr. D. Ezzard Miller:** I wonder if the Minister can say whether these salaries are based on the volume of assets or income that the person manages, or what criteria have these salaries been prepared on?

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Madam Speaker, what I can say about these salaries for the Port Director and the salary for Cayman Airways CEO, is that those

were the salaries when I was elected. As to how they were arrived at, I am not sure (I can do my best), but I will try to find the answer and provide it in writing again.

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

**Mr. D. Ezzard Miller:** Madam Speaker, I accept that the Minister has only been there one year. Certainly, the Minister would have gotten accounts, annual reports from all three of these [authorities] during the period of time he has been there.

Does the Minister agree, or will the Minister give an undertaking that he will determine why the Port Director and the CEO of Cayman Airways are paid so much more handsomely than the Cayman Islands Airports Authority [CEO], and undertake to bring back to this House as soon as possible a review of those salary structures?

The reason why I say that, Madam Speaker, is because if you look at the annual reports from these, they are not that dissimilar in terms of the asset bases that they manage and the income levels and the numbers of staff that they supervise.

**The Speaker:** Honourable Deputy Premier, unless you as Minister or members of staff in your Ministry are responsible for setting individual or collective salaries of these authorities, the first part of that question would be speculative, and you can exercise your discretion to answer or not answer. And the second part, as to the review, would be within your ambit of responding.

**Hon. Moses I. Kirkconnell:** Thank you, Madam Speaker.

What I believe I could commit to the Member is to ask the question to the board of directors as to how the structure is arrived at. I will just use a very simple example: If this was an industry standard that the previous CEO, who was brought in from Jet Blue or another international airline, that was the salary compensation, and then remembering that each one of these positions are held by Caymanians, that is how the structure is arrived at. I am not sure, but what I am saying to the Member is that I can ask that question and try to provide that to him.

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

**Mr. D. Ezzard Miller:** Madam Speaker, I do not often differ with you but I think if we check the legislation on all of these authorities, the setting of salaries and the employment of staff is the prerogative of the board, not the Deputy Governor. And the salaries of which they are paid, is the decision of the board of directors who report directly to the Minister responsible, not to the Deputy Governor. So, the Minister should be in a position to answer all of these questions and give

commitments because it is his board of directors who report to him and give the answers.

Madam Speaker, a further supplementary. Does the Minister agree that there needs to be some form of standardisation, not only in compensation, but in responsibility, authority, and accountability by these boards of government-owned companies and statutory authorities to prevent this kind of departure from what is the norm?

I was around, Madam Speaker, when we set up the first public authority. And at that time, the head of a public authority was considered equivalent to a head of the government department, and they were paid on that scale within the government. So, it is somewhat shocking to me to find out today that these people are paid more than the Premier.

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Madam Speaker, yes, the honourable Member is correct. There needs to be globalisation of all of the authorities, and I think he will be happy to know that the Deputy Governor's office is driving a Public Authorities Bill that is being developed now.

**Mr. D. Ezzard Miller:** If he does not bring it, I am going to bring it.

**The Speaker:** I recognise the Member for East End.

**Mr. V. Arden McLean, Member for East End:** Madam Speaker, I sat here wondering if that door was going to open, and it has now been opened. The question asked of the Deputy Premier: Is he aware of any particular time, or if there is a set time that that Authorities Bill will come to this Assembly, since it has been around for about eight years now, or thereabouts?

**The Speaker:** I recognise the Honourable Premier for the suspension of Standing Order 23(7) and (8) to take question time beyond the hour of 11:00 am, if that is the desire of the House.

### SUSPENSION OF STANDING ORDER 23(7) AND (8)

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, I move the suspension of the relevant Standing Order so that question time may continue beyond the hour of 11:00 am.

**The Speaker:** The question is that Standing Order 23(7) and (8) be suspended to allow question time to continue beyond the hour of 11:00 am.

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

**AYES.**

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

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

**The Speaker:** I recognise the Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Madam Speaker, I am going to ask the Deputy Governor if he could answer the question that the Member for East End has asked.

**The Speaker:** Honourable Deputy Governor.

**Deputy Governor, Hon. Franz I. Manderson:** Good morning, Madam Speaker, and thank you.

The Government gave me a very clear directive to review the Statutory Authorities Bill that has been around for many, many years. As a result of that, a committee was formed, made up of myself, another member from my office, some civil servants and two CEOs of statutory authorities and government-owned companies. After a number of meetings we have produced a draft Bill.

That Bill has gone to the caucus of the Government. They have requested some changes, and those changes are now being made. And the timeline is that within the next week or two it will be scheduled for Cabinet. Following Cabinet, it will be coming to parliament.

So, we are well advanced in our preparation, and once we get the Bill on Cabinet's agenda, I would imagine it will get here shortly thereafter.

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

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

Madam Speaker, since the Deputy [Premier] has passed it on to the Deputy [Governor], he explained that a committee was set up which includes himself and other members from the statutory authorities. I wonder if he can tell us if it was not considered to broaden the base of that committee, because all I can hear is a fox in the henhouse.

Should there not have been other people brought in, like Members of this Legislature, to look at that? Granted, the Government has to look at it, but, certainly, I expect that we would have broadened that a bit. I do not know if he will agree with that.

**The Speaker:** I take it Honourable Deputy Premier that you are still delegating a response to the Deputy Governor?

Honourable Deputy Governor.

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

Madam Speaker, I do not agree that it is the fox in the henhouse. We want to be as consultative as

possible. In my opinion, we cannot have a Bill to regulate our SAGCs without their participation. We certainly want to know their views on the matter. The Bill has not been circulated widely within the SAGCs because we are waiting for the Government to finalise it. And the Members of Parliament will have an opportunity to review the Bill once it is presented here, and we will be able to make comments on the Bill. But I think the committee that was set up was appropriate and has done its work and the process is now continuing.

*[Inaudible interjection]*

**The Speaker:** Madam Clerk, we are moving to the next question.

#### **QUESTION 9: CAYMAN AIRWAYS AND CAYMAN EXPRESS FREE TICKETS 2013/14**

**Mr. D. Ezzard Miller** asked the Honourable Minister of District Administration, Tourism and Transport: Can the Honourable Minister provide the number of free tickets provided by Cayman Airways and Cayman Express by organisation, person and the cost for the 2013/14 financial year?

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Madam Speaker, the answer to that question is not ready but I am giving the Member an undertaking that I will provide it to him in writing.

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

#### **SUPPLEMENTARY**

**Mr. D. Ezzard Miller:** I do not have a problem with that, Madam Speaker, but if I could add one supplementary for him to add to the answer.

What percentage load factor stops the issuing of free tickets by Cayman Airways on flights?

**The Speaker:** Honourable Deputy Premier.

**Hon. Moses I. Kirkconnell:** Thank you, Madam Speaker. I give the undertaking that I will add it to the answer.

**The Speaker:** We will move on to the next question.

**Mr. D. Ezzard Miller:** Madam Speaker, before I ask the question, if you could indulge me, I want to thank the Government for providing me this opportunity to answer all of my questions today, because that was not something that was provided by the former Government, and for that, I am exceedingly grateful.

#### **QUESTION 10: NEW SPEAR GUN LICENSING REGIME UPDATE**

**Mr. D. Ezzard Miller** asked the Honourable Minister of Financial Services, Commerce and Environment: Can the Honourable Minister provide a progress report on the new spear gun licensing regime and a date when citizens can expect the new regime to be effective?

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

**Hon. G. Wayne Panton, Minister of Financial Services, Commerce and Environment:** Madam Speaker, as was advised last Friday in this honourable House, the National Conservation Law [NCL] only partly came into effect on that day. Therefore, it is not fully in effect and the Marine Conservation Law [MCL] has not yet been repealed.

Section 22(2) of the National Conservation Law will provide an allowance for the purchase of new and replacement parts for any equipment used to fulfill the purpose of a licence under the National Conservation Law. However, this section is not in effect yet. The speargun licensing regime that exists under the Marine Conservation Law is, therefore, still in effect.

Madam Speaker, careful consideration is needed to resolve how the provisions of the National Conservation Law will work in light of the long established policy of phasing out the use of spearguns for recreational fishing in Cayman waters.

My Ministry, in conjunction with the National Conservation Council and the Department of Environment, will conduct a careful review to determine how best to phase in the new speargun licensing regime, taking account of the existing framework that currently remains in effect.

I will endeavor to elaborate further, Madam Speaker.

Members may be aware, from previous contributions from myself in this honourable House, that shortly after the passage of the Marine Parks Regulations in 1986, the Government of the day took a policy decision to phase out spearfishing in the Cayman Islands, as opposed to an outright ban, by prohibiting the importation of anymore new spearguns or parts for guns. This was achieved by amending the Marine Conservation Law to prohibit the possession of a speargun, or its use in Cayman's water, unless the person had a licence issued by the Marine Conservation Board. That Board was empowered in granting licences to specify whatever conditions they deemed fit.

As required under the law, the Marine Conservation Board gazetted speargun licensing directives in 1986 that detailed the licence conditions which included a condition prohibiting the licence holder from importing or causing to be imported any spear gun or component parts. The idea was that as existing

spearguns became inoperable the number of guns in use would gradually reduce to zero.

Over time, several amendments have been made to these directives in order to tighten up on the illegal importation of guns and parts. But history has shown that, for various reasons, this policy did not work and today there are still some 405 licensed spearguns, and, of course, there remains unlicensed spearguns in use as well.

Madam Speaker, taking account of these directives and the provisions of the NCL to be brought into force, there is clearly a case to be made for a thorough review of the existing regime, and how best to introduce a new regime.

All of this notwithstanding, Madam Speaker, there are many reasons why Government would wish to approach any decision to move away from the current policy with extreme caution; not least of which is a threat to the tremendous economic assets which large fish on our reefs represent.

While large fish are increasingly rare throughout the Caribbean, they represent one of the most important aspects of visitor satisfaction and enjoyment. Protecting Cayman's remaining population of large fish is therefore of critical importance to our tourism product and to maintaining our position in relation to our regional competitors.

Under our current Marine Park scheme, where the protections currently stop at the 80 foot contour, these large species are not sufficiently protected due to their large home ranges and behavioural traits. The largest fish are important as predators in maintaining a balance and complete ecosystem, and their selective removal causes ecological imbalance. Research has shown significantly reduced populations of large predatory species such as Snapper and Grouper where spearfishing occurs.

Unlike many island groups in the Caribbean, such as the Bahamas, Turks and Caicos and the British Islands, which have vast areas of productive shallow coastal water, the coastal shelf around the Cayman Islands is extremely narrow. This means that the actual area supporting coral reef fish productivity is extremely limited and we need to be extremely careful in order to avoid overfishing our resources to the detriment of not only our valuable marine environment, but also our economy and our people.

Madam Speaker, in a prior meeting in April of this year, I indicated that the Government was willing to consider having areas in which limited spearfishing could be allowed in the context of enhanced marine parks. We have the evidence that our system of marine parks has served us well and has made a real difference in our marine environment relative to the disastrous condition of those of many of our neighbours in the region. However, we also have the clear empirical evidence that we are still not yet on a path of sustainability and more work needs to be done and more protections need to be put in place. Failure to do

so will rob our country of these valuable assets for the future.

Madam Speaker, in rounding out the answer for the Member for North Side, the speargun licensing regime remains in existence and unchanged for the present time under the Marine Conservation Law. And the earliest point in time in which there may be changes is when the remainder of the National Conservation Law is brought into effect, which is anticipated to be several months away.

Thank you, Madam Speaker.

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

## SUPPLEMENTARIES

**Mr. D. Ezzard Miller:** Madam Speaker, I want to congratulate the Minister on the verbose length of this reply.

Can the Minister state or quote from the policy that was intended to phase out spearguns? The only policy I am aware of under the National Conservation Law that was propagated on directives was the *control* of spearguns, not the *phasing out*. And I think that is where the conservation board and the technicians have gone awry. So, I would like to know what time the policy to phase out spearguns was issued and which minister issued it.

**The Speaker:** Honourable Minister responsible for Environment.

**Hon. G. Wayne Panton:** Madam Speaker, I indicated that in the late 1980s a decision had been made. The information I was provided with is that Government's position at that time was that they were trying to phase out spearguns and spearfishing in the Cayman Islands. Hence, the raft of directives and changes to the Law which were designed to allow the Marine Conservation Board to effectively limit and restrict the use of spearguns and the ability for licensees, those people who had proper speargun licences, to, for example, get replacement parts to renew their guns and allow them to continue to be operable.

It seems quite clear, Madam Speaker, that there was a policy at the time which was designed to, over time, phase out the use of spearguns through these restrictions in terms of disallowing the importation of spear parts, and certainly the replacement of equipment in terms of new guns.

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

**Mr. D. Ezzard Miller:** Madam Speaker, to me there is a fundamental difference between a policy designed to phase something out . . . that indicates to me that the policy would have set a date, for instance, beyond which spearguns could not be used at all.

Madam Speaker, the Minister was not here—but I was here—when the Marine Conservation Law was passed, and I know exactly the battle that we put up then with these conservationists to continue to use it. And while that might have been their intention, it could not be clearly stated.

Madam Speaker, there is no policy that I am aware of that refers to the *phasing out* and sets a date to which the spearguns can no longer be used in the Cayman Islands. The policy is one to control and to limit the number of spearguns . . . not the number, because once you meet the criteria . . . they have introduced a control on the number, but the criteria clearly indicate that anyone who meets the conditions of the licence should be given a licence. So, there is no numerical number that I am aware of.

Can the Minister state where the policy is? Or has his Government now taken the position that they are going to introduce a phasing out policy for the use of spearguns?

**The Speaker:** Honourable Minister responsible for Environment.

**Hon. G. Wayne Panton:** Madam Speaker, this Government has taken no decision. There is no such policy at this point which is under consideration.

I am not in a position to provide the Member for North Side with a copy, or to point to the source of a policy back in the late '80s on this. But I think the fact that changes were made to both the regulations and the law at that time which empowered the Marine Conservation Board to create directives and to issue these restrictions and restricted licences, that, in and of itself, while there was no date that I have come across which has been expressed as a time period or a date by which it was anticipated that the use of spearguns in the Cayman Islands waters would have ceased, I think the mechanism that was created with these restrictions and the inability to replace the equipment and the inability to get new parts was all designed to, through attrition and over time, reduce the numbers of operable spearguns. I cannot see any other conclusion from the mechanism and restrictions and directives that were put in place. I think that is a fair conclusion.

I cannot give the Member an indication of exactly where the policy, where it was located or whether it was written or not, madam Speaker.

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

**Mr. D. Ezzard Miller:** Madam Speaker, in the answer the Minister indicates that we have not yet reached the point of sustainability, and that the population of reef fish, in particular, is continuing to decline.

Can the Minister say why, if spearguns are responsible for the declining in fish, has the restriction

not [been] imposed and not led to an increase in the population of reef fish?

**The Speaker:** Honourable Minister responsible for the Environment.

**Hon. G. Wayne Panton:** Madam Speaker, the Marine Conservation legislation, the Marine Parks legislation and the regulations were put into place nearly 30 years ago.

The population in the Cayman Islands has substantially increased. The threats to the marine environment have substantially increased. The demands and the extraction from the waters of the Cayman Islands have substantially increased. We have had threats of ocean warming and pollution and a variety of other threats, which have developed over time. These things are additional risk factors, additional burdens on the marine environment which have simply increased over time.

It is also a fact that the use of unlicensed or illegal spearguns has persisted as well. They are still finding guns that are unlicensed and people are still utilising them.

When I spoke to the point earlier in my response of the policy, in terms of what the Government needs to consider, what I was saying, Madam Speaker, is that Government needs to factor in on this question of how the new speargun licensing regime may be reflected. It needs to factor all of these things into account to understand potentially where and how we need to create and structure this new policy, because if we do not do it appropriately we will lose these assets, and in very short order young Caymanians in the future will not have the opportunities that we have experienced over the last 30 to 40 years.

**The Speaker:** Member for North Side and we will then go to the Member for East End, unless you wish to give way.

**Mr. D. Ezzard Miller:** Madam Speaker, I wonder if the Minister could state why this particular amendment to the National Conservation Law—which was brought about by a defeat of the Government—is being delayed in its implementation, and why this particular section of the law is not included in the first phase of implementing the National Conservation Law.

**The Speaker:** Honourable Minister responsible for the Environment.

**Hon. G. Wayne Panton:** Madam Speaker, rather than the amendment, which the Member for East End had proposed to section 22 reflecting a defeat of the Government, it was accepted by the Government, clearly—

**Mr. D. Ezzard Miller:** Oh no, no, no, no.

**Hon. G. Wayne Panton:** —by sufficient numbers, otherwise it would not have passed.

**Mr. D. Ezzard Miller:** You were defeated by the number of votes.

**Hon. G. Wayne Panton:** Madam Speaker—

*[Inaudible interjection]*

**Hon. G. Wayne Panton:** —the first two parts of the National Conservation Law were brought into effect in Schedule 2, dealing with administration, so that the Council could be empowered to begin to work out the policies and its procedures, and also, to deal with finalising regulations in terms of species conservation and environmental impact assessments. It was purely for that reason that only the initial part of the National Conservation Law was brought into effect.

It would not have made sense to bring in other parts on a piece meal basis. As I said earlier, the policy around this issue with section 22 is one which the National Conservation Council will need to focus on. They will need to understand what the impacts are and design the appropriate policy.

Under section 3 of the National Conservation Law (I believe it is, Madam Speaker), the directives, which, for example, were issued by the Marine Conservation Board, get transferred over through a transition provision following the implementation of the National Conservation Law.

So, the existing regulations under the Marine Conservation Law and directives issued by the Marine Conservation Board remain in existence after the Marine Conservation Law itself is repealed. Those directives are in complete contradiction, because of the stated policy of attempting to limit and restrict and phase out, which it appears that the Government of the day at that time was attempting to do. Those directives are a complete contradiction with section 22(2) at the moment which would allow this new speargun licensing regime.

In relation to the question from the Member, Madam Speaker, the Council needs to work out exactly how to resolve these differences and what directives need to change and how they change in order to make sure that a new policy in connection with a new licensing regime is reflected appropriately.

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

**Mr. V. Arden McLean:** Madam Speaker, I do not understand how the Government accepted my amendment to section 22 when all the Ministers voted against it.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Oh, the Parliament—the Legislature. Thank you very much. It is not the Government. It was foisted upon you.

Madam Speaker, the Minister has said that the burden on the marine environment has come . . . and what he has explained is that human intervention is the major part of that. Now, it was decided a long time ago by the powers that be—and for 13 years, Madam Speaker, you and I have fought this. It was decided by the powers that be and they recommended here that we put limits which would allow us to achieve our objective of preserving the environment. Now, the Minister says that the burden is still too much on the marine.

I want to ask the Minister: If we have limits on it, which I support, why is it that we are not enforcing them? And would that not be better than total prohibition of spearguns and the traditional seine and the likes?

And then I have another one for you.

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

**Hon. G. Wayne Panton:** Madam Speaker, I agree that enforcement is essential for the effective regulation of the marine environment, and protection and preservation of the marine environment.

The Members of this honourable House may recall that the National Conservation Law contains provisions which give the marine enforcement officers and the fisheries officers the same powers that constables have. It also provides that they can have additional equipment that will allow them to deal with their law enforcement powers more appropriately.

In addition, there are new technologies being introduced, such as a specialised application which will be used on iPads to allow officers to identify precisely where they are in terms of location, precisely where potential offenders are because these iPads would have built-in GPS systems as well. So, if they are parked next to a boat there can be no argument that they are outside some marine park when the GPS indicates precisely that they are within the confines and boundaries of the marine parks.

So, it is certainly appropriate, and I agree with the Member for East End, that that is essential. We have included provisions in the budget to increase the number of staff members dealing with enforcement.

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

**Mr. V. Arden McLean:** Madam Speaker, it simply begs the question: Why are we trying to restrict or prohibit spearguns?

There are restrictions on the number, size and the species that can be taken by spearguns.

Now that that has been established and that that is what it takes to control and to enhance our ma-

rine environment, and the Minister has committed now to putting more people on the ground instead of those who are driving around in the trucks, and putting more money into it, and because this answer is so lengthy and has basically tried to justify stopping spearguns, why would we want now to prohibit spearguns if we are going the other way, which is to empower the wardens (which I support, and I think every Member here supports)? Why would we want to prohibit spearguns and the other mass catch seine? This is limited to a specific few. It was only a few families who did that in this country and Cayman Brac with the turtle traps. Why would we want to do that if we are going to put more money into the enforcement?

**The Speaker:** Minister of the Environment.

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

Madam Speaker, the reality is that we have to a range of things. We have to deal with enforcement. But spearfishing, while it has been identified as one of the significant threats to the reef environment and the fish population, that is only one aspect of it; there are other areas that need attention and enforcement.

Seine nets, which the Member referred to, Madam Speaker, the reality is, that while there may have been limited use, those sorts of fishing methods are highly effective, just like spearfishing is. Very effective and very selective and the potential for damage is significant. Seine nets can take out an entire population of a particular school of fish. So, that has been an issue, Madam Speaker.

Even the State of Florida, which has probably close to 2,000 (perhaps I am exaggerating, I know it is certainly more than 1,000) miles of coastline . . . the citizens of Florida passed a constitutional amendment to ban certain types of seine and gill nets near to the shore, because of the damage that these things present.

Madam Speaker, spearfishing is an issue that needs careful thought; it needs a careful policy. All I have been trying to say to the Members in response to their questions, Madam Speaker, and certainly in the initial answer, was that this is an issue that requires careful thought because of the implications, because they are very serious.

Madam Speaker, a lot of research has been done and a lot of studies have been done in marine reef environment, and a lot of reports have been issues because of these studies. For example, there is a recent publication by a Dr. Jeremy Jackson which deals with the status and trends of Caribbean coral reefs. And this study was done from 1970 to 2012. It is very detailed and very comprehensive. Some of the conclusions are that overfishing due to spearfishing and fish trap fishing, amongst other things, is significantly responsible for the degradation of the marine environment. And these fishing methods are signifi-

cantly responsible for the reduction of a lot of the fish population.

Madam Speaker, the Cayman Islands have somewhere in the region of 208 square kilometres of life-supporting shallow water (let's call it "shelf") around the Cayman Islands. And we all know that a good half of that is probably the North Sound itself. Compare the Cayman Islands to the Bahamas. They have nearly 20 times as much, nearly 4,000 square kilometres. Turks and Caicos have probably 2,000; BVI have a significant amount as well. Madam Speaker, all of these areas have restrictions on spearguns and spearfishing, or they are actively being contemplated.

Just as an example, the island of Saba has no spearfishing; Dominica, no spearfishing; Bonaire, no spearfishing; the Bahamas, no spearguns and no scuba take, but you can use a Hawaiian sling; Curacao, no spearfishing; Netherlands Antilles (well, that is inclusive I guess), no spearfishing; Antigua and Barbuda, no spearfishing; Mauritius, no spearfishing; Maldives and Seychelles, no spearfishing, and obviously they are outside of the region. But just as an example of regions and states and countries that have lots of shallow water and very good marine environments, have a significant tourism industry, and are well-known for their diving industry, they have taken steps to try to control and limit the well-known impact which has been demonstrated by all of these studies of spearfishing.

Madam Speaker, I am not taking the position, and the Government's position is not that there shall be a policy of no spearfishing. That is not why we are looking at this now. We are simply trying to reflect the fact that there are very serious issues, very serious concerns around this policy. There are conflicts between the original policy and the directives which existed under the Marine Conservation Law, which is to be repealed, but those directives get transferred over. And the provision and the amendment which the Member for East End made to section 22(2) of the National Conservation Law during the committee stage, those are in direct conflict and we have to work out a way to avoid those conflicts and to reflect on appropriate policy.

**Mr. V. Arden McLean:** Madam Speaker, my last one.

**The Speaker:** Member for East End, and the final one from the Member for North Side.

**Mr. V. Arden McLean:** Madam Speaker, I want this Minister, this House, and this country to know that I support the conservation efforts, particularly in the marine environment. That is what I grew up in and I continue to be an avid fisherman, like many of us in here.

Certainly, one of our biggest problems in this country is that we continue to legislate from a moral

perspective hoping that everyone will do it. There are many in this country, including my constituency and the constituency of the Member for North Side, who respect the conservation efforts. But then, Madam Speaker, there are many who come to our country and destroy our marine environment at night for subsistence. They live 10, 12 in one room and then they use the resources of the company they work for, such as their boats, to go out at night.

Madam Speaker, I want the Minister to tell us what efforts have been made. And when will we see additional enforcement by officers who are capable, not officers that wear their hearts on their sleeves and share in the bounty?

*[Inaudible interjection]*

**The Speaker:** Honourable Minister for Environment.

**Hon. G. Wayne Panton:** I thank the Member for his comments and question. I think I have previously indicated that there are additional enforcement provisions within the National Conservation Law which will hopefully be brought into effect by the end of this year. That will further empower the marine patrol and fisheries and enforcement officers. They will have the additional equipment and technology and, very importantly, the additional powers to enforce the provisions of the National Conservation Law. These are things that I certainly share the Member's concern on enforcement. I agree it is essential to have this done and get into place as soon as possible.

As to his indication of enforcement officers who are participating in some way, I am afraid I cannot speak to that. I am not aware of anything.

*[Inaudible interjection]*

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

I did get an indication from the Third Elected Member for West Bay to ask one, and, as he did not ask on the floor, I will now allow him to ask one after the Member for North Side.

**Mr. D. Ezzard Miller:** Through you, Madam Speaker, can the Minister state why all of the considerations about a new speargun regime are negatively oriented? And, is he aware, having confirmed to this House today that the regulations for spearguns under the old Marine Conservation Law remain in place until the new Conservation Law comes into effect, that there were changes made to those regulations in 2013, because it was discovered that in many respects the board had acted outside of its remit in putting those regulations in place?

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

**Hon. G. Wayne Panton:** Madam Speaker, I am not aware of the changes the Member is referring to. I am not aware of the issues in relation to perhaps the actions of the Marine Conservation Board being *ultra vires*, which the Member is referring to. I will certainly endeavor to obtain this information, do some further research on it and provide the Honourable Members of this House and, indeed, the Member for North Side, with a response specifically in relation to that point.

**The Speaker:** Third Elected Member for West Bay.

**Mr. Bernie A. Bush:** Madam Speaker, the Minister has already answered my question in saying that he is not aware of the enforcement officers partaking of the bounty. That was my question: What is being done about those particular enforcement officers who our constituents both in North Side and in West Bay and East End have seen people coming in all hours of the night with stuff that locals are being pressured for. He said he knows nothing about it. Maybe he should do some homework because it is going on.

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

**Hon. G. Wayne Panton:** Madam Speaker, obviously if what the Members have said in respect of this issue is correct, it would cause me great concern, and I will certainly ask whether there is any evidence of this sort of issue occurring. I would be as concerned, as clearly they are, on the issue if I can find any evidence to that effect.

I would say, Madam Speaker, that there are times when I think there may be some confusion. There may be officers that have confiscated species that perhaps they may be observed carting it off taking it in their truck somewhere and then maybe an assumption. I'm not saying this is the fact; I am saying this is a possible answer which gives rise to a conclusion that there is some inappropriate action going on.

But when they confiscate these species from individuals that they suspect have been involved in poaching, the marine life that is collected is, I think as a matter of policy, handed over to the Pines. But I do not know . . . I will say, as I have said before, I would certainly be very concerned if it is otherwise and I will certainly make some enquiries and try to get to the bottom of that for the sake of clarity. Thank you, Madam Speaker.

**The Speaker:** Next question please.

#### **QUESTION 11: LAWS USED BY DoE TO DISCOURAGE DEVELOPMENT IN NORTH SIDE**

**Mr. D. Ezzard Miller** asked the Honourable Minister of Financial Services, Commerce and Environment: Can the Hon. Minister state what section of the National Conservation Law, or other laws, the Depart-

ment of Environment is using to discourage development in the North Side constituency?

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

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

Madam Speaker, the answer: As I noted in the previous answer, the National Conservation Law is not fully in effect. It came into effect on the 12<sup>th</sup> of September (which was last Friday). It is not possible therefore, that the Department of Environment could have used that law or any other provision thereof prior to that date for the purpose mentioned in the question.

Madam Speaker, let me hasten to say that the Department of Environment does not use any other laws to discourage development, nor does it have a policy of discouraging or recommending against development in any particular district in our country. Each application received from the Planning Department or the Cabinet is reviewed by the Department of Environment's Technical Review Committee on its own merits with consideration being given to 1) the potential of direct and indirect impacts of the proposal; on sensitive habitats, species, natural features and the environment generally; 2) the likely cumulative effects of the proposal on the same; 3) the anticipated effects of global change on the proposal and vice versa; and 4) the requirement for the application to be subjected to a comprehensive environmental impact assessment due to its size, location and/or complexity.

In carrying out its review, Madam Speaker, DoE utilises the government's geographical information system layers and tools, including recent and historical aerial imagery, as well as GIS layers, such as habitat maps, protected areas, environmentally sensitive areas and features developed by the Department of Environment. Site visits are also carried out as and when necessary.

Madam Speaker, for the year 2013 the department, as an example, reviewed six applications for coastal works licences in the district of North Side. Five of those applications were approved. And while the sixth was refused by Cabinet on the advice of the DoE, the department worked with the applicant to modify their proposal to mitigate the environmental impacts and their application was subsequently approved in 2014.

In terms of Planning applications, one application for North Side was reviewed in 2013 and was recommended for refusal by the Department of Environment. The review of the Department of Environment concluded that on balance they could not support the application due to the limited or incomplete information that was submitted with the application and hence the uncertainty of potential future negative impacts. A similar position was also taken by the Water Authority and the National Roads Authority, as

both of these agencies had questions that were unanswered by the material submitted by the applicant.

These statistics do not support a view that the DoE is discouraging development in North Side. To the contrary, they reflect that the DoE is willing to actively engage with developers to ensure that all projects are done in a sustainable manner.

Madam Speaker, as a country we have espoused the concept of sustainable development. The principles of sustainable development require that the environmental impacts of development are considered equally alongside social and economic impacts. And the role of the Department of Environment is to provide decision-makers with information on those environmental impacts. Members of this honourable House will recall those principles as being at the core of the framework of the National Conservation Law, which I remember was voted for on its third and final reading. It is also important for me to stress the fact that the Department of Environment is an advisory body on issues relating to development. It is not a decision-making body.

Thank you, Madam Speaker.

**The Speaker:** Member for North Side, are there any supplementaries?

Please proceed.

## SUPPLEMENTARIES

**Mr. D. Ezzard Miller:** Madam Speaker, I am not aware of the development identified in the Minister's answer that the DoE, the NRA and the Water Authority recommended against. But, is the Minister aware that the DoE, on consideration of the sale of property by a constituent of mine to facilitate CUC in the development of its solar field (for the want of a better word), made the following written statement to one Addenais Logo? [PHONETIC]

I quote: "The DoE notes that the proposed areas of land of the proposed facility (Block 45A, Parcel 11, 12, and Block 49A, Parcel 30) are currently undisturbed natural areas (see fig. 1 habitat map). These areas indicated are mainly covered by seasonal flooded mangrove forest, dry forest and woodland which are known to provide ecologically important habitats and equal systems. Given that there are existing man-modified areas of land around the Island, even in the vicinity of the currently proposed location, the DoE would advise against the clearing of ecological valuable land that currently remains in its natural state.

"The route for the access road as indicated in the attachment on your Friday email, 6<sup>th</sup> of June, is located across a track of privately-owned land. The reliance and access via this route would rely on the permission of the land owner or the acquisition of this area." [UNVERIFIED QUOTE]

Now, here we are, Madam Speaker—

**The Speaker:** Member, can you please supply a copy once you have finished referring to it?

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

The reason I asked the question as broad as I did is because here we have . . . and this note from the DoE resulted in the stoppage of the sale of this property. And here we have them, in my view, acting outside the bounds of any advice they can give. Because if they look at the topography map that indicates height above sea level (which is attached to the document that I just gave to you, Madam Speaker), and that the DoE would have, should have, and could have had access to prior to making those comments, we will see that none of the land is negative or even equal to sea level. None of it is below sea level and none of it is at zero feet compared to sea level. I think the lowest that I can find is two feet or one foot above sea level. And our Planning requirements here only require four feet above sea level.

Secondly, Madam Speaker, for the DoE to get involved and make the statement . . . and that is why I am asking the question: [Under] what authority are they doing these statements and concerning themselves with rights-of-way to the property being over a private landowner? And what reliability the person selling the land would have in determining that he can get a 30 foot right-of-way. Obviously, Madam Speaker, none of that should concern the DoE. That is a matter for Planning permission and for the seller of the property to request and get the necessary easements.

So, I want to know from the Minister what basis and what authority the DoE is using to make these kinds of written statements to potential developers in my constituency.

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

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

Madam Speaker, I am aware of the matter which the Member is referring to. I was copied on a letter which was sent to the Member for North Side. In fact, I was aware of the issue prior to that as well, Madam Speaker.

What seems to have transpired there is a rather unfortunate situation. But, in my view, it does not reflect any inappropriate action by the Department of Environment.

Madam Speaker, the Department of Environment very frequently is consulted by developers, landowners, perspective purchasers of land, for their general informal views on areas of land, land use, the geographical condition, and just generally what the Department of Environment's view is in relation to the potential for an application. I am sure that it probably happens in any other government department where there are informal views given on the basis of a ques-

tion asked, and on the basis of existing information that is available.

The Department of Environment, in my view, did not stop any transaction from occurring. Based on the document that I have seen, based on the letter and the emails that were attached, Madam Speaker, there was a negotiation. There was a discussion. It is not possible to tell from the emails specifically what stage it was at. But, certainly, it appears that there was a negotiation, or a discussion, going on between the realtor representing the potential purchaser and the realtor representing the landowner.

The realtor representing the potential purchaser made contact with the DoE and asked, generally and informally, what their view was in relation to the potential use of this particular parcel of land, or areas of land. I think it was more than one parcel (three if I recall correctly). [The DoE was asked] what their view was, generally, on the use of this land for this purpose.

The Department of Environment is clearly an advocate for the environment. They are going to indicate whether they think it is appropriate. They are going to express an opinion on it, but they are not a decision maker. They only ever advise. They advise the Government, they advise the Central Planning Authority, they advise anybody who contacts them to ask for an informal view. And in terms of their formal views, those go through Planning Authority, those go through the Water Authority, and they go through the NRA, when applications detailed applications in relation to a substantive process are provided to the Department of Environment. And certainly before, or in the any absence of, any specific substantive application, their views are purely informal.

The Member read the email, and I agree that it was accurately reflected, which came from the Department of Environment. What they were simply saying there was that a significant amount of this land (and I think it is somewhere around 70 per cent) remains in an untouched, sort of virgin state, that has never been cleared or planted. Now there are other areas of this land that has been cultivated, clearly. And I know the letter which was sent to the Member articulated that as well. So, the Department of Environment was simply saying that in relation to the land that has not been cleared, it would be unfortunate to have that land cleared to such a large extent to put in a solar farm.

I think if you look at the map in terms of the question about whether some of this land is seasonally flooded or low-lying, on the aerial photographs which I have seen, part of the land, certainly the southern extend has lakes, it has water visible from the aerial photographs with the boundaries overlaid.

So, while I appreciate the concern the Member has, and I appreciate the concern the individual landowner has, which was conveyed to the Member in this letter and copied to myself, I am not sure that the

Department of Environment is at fault in stopping anything here. It appears to me, after reviewing the email from the DoE, that the realtor acting for the potential purchaser used that information, not to end the transaction, but effectively to say to the seller or the seller's agent—*You need to discount the offering price.*

So, it appears that they tried to utilise it as leverage. Now I assume, given that we are here talking about this, the transaction went no further. But I understand the concerns expressed, and I will certainly discuss it with the Department of Environment to see whether any changes may be appropriate. But it seems to me that it would be a shame that we lose the ability for the Department of Environment to give informal indications and advice on issues that have in the past, certainly their actions have in the past, been very welcomed by developers, by landowners in this respect. Thank you, Madam Speaker.

**The Speaker:** Member for North Side, I will allow two more supplementaries.

**Mr. D. Ezzard Miller:** Madam Speaker, the Minister keeps referring to this informal. Madam Speaker, I do not think it can get much more formal than putting it in writing, you know. And I quote again from the email from the Department of Environment: "Given that there are existing man-modified areas of land around the Island, even in the vicinity of the currently proposed location, the DoE would advise against the clearing of ecological valuable land that currently remains in its natural state." [UNVERIFIED QUOTE]

The question that I am trying to get answered is: What legal authority is the DoE making this statement [under]?

Madam Speaker, [your] indulgence for three minutes. The landowners in this area have been inundated by this Department of Environment, National Trust, and the other conservationist in this country. They have tried everything they can for the last 15 years to sterilise this land and make it valueless so they can get it for nothing from the people whom I represent.

**The Speaker:** Can you, at some stage, fairly soon, turn that into a question, Member for North Side?

**Mr. D. Ezzard Miller:** The question is: What legal authority is the DoE using to make these statements that directly affect the development potential in North Side, particularly in these "sensitive areas", as they like to describe them?

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

**Hon. G. Wayne Panton:** Madam Speaker, I think I have answered previously that these sorts of . . . first of all, the Department of Environment is not a decision

maker. It interacts with the public, it gives advice to the Government; it gives advice to the Central Planning Authority in relation to specific applications. Any advice which it gives in an informal way, whether it is in writing, whether it is on the telephone, whether it is by hand signals, the fact is the Department of Environment is not a decision maker, therefore any advice they give in relation to a question, which does not involve a formal application, must be informal.

They do not need specific authority to express views in relation to a particular question which is being presented to them by a member of the public.

As I said, Madam Speaker, I would be happy to have a further discussion with the Member for North Side with the DoE on this issue to see whether there is some legitimacy to the concern being expressed, which can be addressed through a change in approach and change in policy by the Department of Environment.

But my position, Madam Speaker, is that they are giving informal advice. They do not need to have a statutory basis upon which to give this informal advice. It is not their decision to make. Until a formal application is made, there is no application in relation to Planning. I think developers and landowners in this country know that quite well at this point.

I would also say, Madam Speaker, that over the last year, during 2013, I think somewhere around 58 per cent of applications from the Central Planning Authority on which the DoE has been consulted, they recommended approval in respect of those. And on 38 per cent they recommended refusal. In none of those applications was the advice (certainly in areas where they have recommended not approving it) of the Department of Environment followed. In fact, all of the applications which the DoE (during 2013) has been involved by the Central Planning Authority were approved by the Central Planning Authority, other than in respect of the planned area development application which was submitted by a developer in relation to a proposed development in Rum Point.

I have already outlined the basis upon which the Department of Environment recommended against that and the concerns that were expressed, not just by the DoE, but by other relevant agencies as well. Thank you, Madam Speaker.

**The Speaker:** Last supplementary on this. We will move on to Question 12 thereafter.

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

Can the Minister give this House, and in particular, the people of my constituency, absolute assurance that the overlay zones environmental (I do not remember all of the names now but there were three different overlay zones that were proposed by the Department of Environment some eight or ten years ago), do not still exist in somebody's office drawer and

is being used when convenient for them to discourage development?

By petition, by public demonstration and by other means, those proposed overlay zones all design to reduce the value of property in my constituency from the North Sound to the Fire Station in Frank Sound were soundly defeated. So, would the Minister please give this House and the constituents that I represent, the absolute assurance that those overlay zones (and I see a habitat map attached to this) are not being reinvented, or being utilised to make statements that were made in this correspondence.

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

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

Madam Speaker, on the basis of everything that I have seen in relation to this matter which the Member for North Side has raised, the only references in the Department of Environment's response are references that come directly from the government information system which exists and contains a whole variety of existing information, topography, vegetation, a whole range of things. I cannot go into all of the details at this point and neither do I know them. I will not pretend to.

But, this information upon which they commented and relied is information that is contained into government's information system in relation to land in the Cayman Islands.

I am not aware of the specific concerns raised by the Member for North Side on the issue of these—

**Mr. D. Ezzard Miller:** Environmental zones—

**Hon. G. Wayne Panton:** —these various zones that he has alluded to, that may or may not have existed or been proposed in the past.

I am not aware of those, but I will say, Madam Speaker, that I am confident that what I have seen on that particular instance that he has brought to our attention, that information did not relate to those or any zones he may be referring to there. And, certainly, I am firmly of the view that the Department of Environment have only done and are only doing and are only relying on information which is available otherwise to other subscribers to the government information system, including the other departments of government.

I would say, Madam Speaker, that they are acting properly and not outside the bounds of any authority that they may have in relation to this issue. And I do not know, and do not have enough information or details, and the Member has not provided it, around the things that he has alluded to or made allegations in relation to. So, I think I would be in a very difficult position to be able to give any sort of commitment on that, other than to say as I have said before, that I think they are acting properly and relying on infor-

mation that exists and is provided on the government's information system itself. Thank you, Madam Speaker.

**The Speaker:** Madam Clerk.

#### **QUESTION 12: REDUCTION OF SECURITY OFFICERS ACROSS CIVIL SERVICE**

*[To be answered in writing]*

**Mr. D. Ezzard Miller** asked the Honourable Minister of Planning, Lands, Agriculture, Housing and Infrastructure: Can the Hon. Minister give an update on progress made in reducing a) the number of security officers across the civil service; and b) the cost from the \$2 million identified during the recent Finance Committee meeting?

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

**Hon. D. Kurt Tibbetts, Minister of Planning, Lands, Agriculture, Housing and Infrastructure:** Madam Speaker, I am going to ask for this question to be deferred because I do not have the written answer. But with your permission, I would just like to explain why.

Members will recall the discussion in Finance Committee and the concern that was raised regarding the level of expenditure for security officers in various government structures. Unfortunately, while my Ministry has, as one of its subjects, the Lands and Survey Department and Facilities Management, which deals with some of these buildings, other ministries and portfolios, have their own policies. So, there are no overarching policies, but there are discussions going on between the Honourable Deputy Governor and myself.

As soon as we are able to develop an overarching policy . . . which by the way, just want to let the Member for North Side know that I agree with, because we can get consistent risk assessments being done and all of that to make those decisions so that it is not just somebody's whim and fancy, which I am not suggesting it is now, but at least there is consistency in that.

So, we will be having that discussion and we will be developing it, and, certainly, if we can get to the point where, by way of those risk assessments, the requirements are not as they are now, then certainly that will bring the numbers down.

I do have the answer for my own sections that I am responsible for, but that would not give you a complete picture. So, I would ask for it to be deferred and I will respond in writing as soon as we are able to concrete-ise the thoughts that I just expressed.

**The Speaker:** Honourable Minister, you may defer your answer by virtue of Standing Order 23(5). I would ask you to get the leave of the House which allows you to defer it.

**Hon. D. Kurt Tibbetts:** Madam Speaker, what I really want to do is to provide the answer in writing. In doing so, if I need the leave of the House, I hope I do not have to bow too low to beg for the leave of the House to allow me to answer the question in writing. And I hope that satisfies the Member for North Side. Thank you.

**The Speaker:** The question is that by virtue of Standing Order 23(5) and (8) the Minister would be allowed to respond in writing.

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

**AYES.**

**Agreed: Under Standing Order 23(5) and (8) the answer to be provided in writing by the Minister.**

**The Speaker:** The next question please.

### **QUESTION 13: POLICY FOR DECISIONS BY SCHOOL PRINCIPALS**

**Mr. D. Ezzard Miller** asked the Hon. Minister of Education, Employment and Gender Affairs: Can the Hon. Minister state what is the policy regarding the involvement of Principals in administrative and/or operational decision involving their schools?

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

The answer: The main focus of the work of a school principal is to lead and manage the school under the direction of the Department of Education Services and the Ministry of Education. This is clearly established in the Job Description. I have been advised that the standard Job Description contains the following description:

The principal is responsible for providing professional leadership and management for the school, and for establishing the values and aims to ensure a high-quality education for all students. The principal must establish a culture within the school which promotes excellence, equality and high expectations, and this can only be achieved by effectively managing teaching and learning in order to improve standards of learning and achievement.

The principal is the leading professional in the school. Working with staff, students, parents and the wider community, the principal must provide vision, leadership and direction for the school and ensure that it is managed and organised to meet its aims and targets. The principal, working with others, is responsible for evaluating the school's performance to identify priorities for continuous improvement and the raising of standards, for developing policies and practices and for ensuring that resources are effectively and efficiently used to achieve the school's aims and objectives.

The principal must also involve the wider community in the life of the school, by developing and maintaining effective networks with, for example, other schools, the Education Department, the Schools Inspectorate, higher education institutions, employers, careers services and other individuals and agencies. The principal plays a key role in contributing to the ongoing development [of the] educational system as a whole, and working with others to raise standards locally.

There are four key accountabilities for school principals:

- a) Strategic direction and development of the school.
- b) Raising achievement through improved teaching and learning.
- c) Working strategically with stakeholders.
- d) Effective and efficient management of staff and resources.

In practical terms, a principal is responsible for the day to day management of the school with a particular emphasis on guiding teaching and learning. The management and administrative responsibilities include the following:

- Principals have financial delegation for local purchasing of resources, and prepare and approve orders for all overseas purchases for their schools.
- Principals are responsible for shortlisting staff and sit on interview panels to select teaching staff.
- Within their allocated staffing, principals decide how to use and assign staff in line with guidance on class sizes and similar policy directives.
- Principals line manage their school staff and are responsible for the performance management of school staff.
- Principals lead teaching and learning in their schools, in line with the National Curriculum and with curriculum guidance from the Ministry of Education.
- Principals are the first line in the resolution of complaints regarding their schools.

### **SUPPLEMENTARIES**

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

**Mr. D. Ezzard Miller:** Madam Speaker, I wonder if the Minister could say why the involvement of the principals in determining what the resource requirements are for the school, both financial and staff, and/or capital, is so glaringly missing from their responsibilities.

I noticed from the answer that they are only involved in the "effective and efficient management of staff and resources" provided. They do not appear to

have any opportunity to determine what those resources should be.

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

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

Madam Speaker, some additional information with respect to the principals' ability to weigh in on financial aspects. Principals are given financial delegation which allows them to procure services and goods in line with certain threshold amounts. So, these include the responsibility to ensure that they do not go over the budgetary allotment.

They are also responsible for fixed assets within the schools as they have to ensure that all of the assets purchased are kept safely, and also with respect to procurement of goods and services, as directed by the principal.

So, there is some level of financial authority that is given to principals on a school-by-school basis. If there is any additional information, I would have to provide that in writing, Madam Speaker.

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

**Mr. D. Ezzard Miller:** Madam Speaker, I accept that from the Minister. The difficulty I have is that nowhere is it indicated that the principal is involved or consulted by those people determining what the resources for that particular school should be. And I believe, Madam Speaker, we were told they have some kind of equity formula that they use independent of the [INAUDIBLE]. What the answer provides is the limitations on the utilisation of the efficiency and the effective management of resources that somebody else decides that the school needs.

What I am looking for, and while I am aware that it does not now exist, will the Minister commit that in the preparation of the budget for 2015/16, the principal—all principals but in particular for me the principal of the Edna Moyle Primary School—will be involved (and I think all primary school principals should be) in the process of determining what level of resources the school needs?

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

**Hon. Tara A. Rivers:** Madam Speaker, it is my understanding that that level of consultation should have already taken place. However, I will commit to enquiring exactly what level of consultation does actually take place between the Department of Education Services and the individual school levels when it comes to determining the resources needed for each school.

As the Member will recall from Finance Committee, we are looking at the whole governance structure of Education as a whole, and these are some of

the questions we will be looking to have determinations on as well. But as far as I understand, there is that dialogue that should be taking place already between the department with respect to the allocation of resources and the individual principals regarding what the schools need.

**The Speaker:** Last supplementary and then we will move on to the last Question on the Order Paper, Number 14.

**Mr. D. Ezzard Miller:** Through you, Madam Speaker, I will accept this in writing because I asked for it in Finance Committee and it has not yet been given.

Can the Minister give an explanation of how this equity formula for the allocation of resources works?

And, Madam Speaker, I can inform the Minister as we did during Finance Committee, that certainly the principal of the Edna Moyle Primary School was not consulted in the preparation of the budget for 2014/15 for the school.

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

**Hon. Tara A. Rivers:** Madam Speaker, I undertake to get in writing an explanation of how the equity formula and the allocation of resources work in the schools.

**The Speaker:** Madam Clerk, next Question.

#### **QUESTION 14: MINIMUM WAGE, PROGRESS ON ESTABLISHMENT OF**

**Mr. D. Ezzard Miller** asked the Hon. Minister of Education, Employment and Gender Affairs: Can the Hon. Minister state, what progress has been made in establishing a minimum wage for the Cayman Islands, and what is the target date for the implementation of a minimum wage?

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

The answer: As per section 21 of the Labour Law (2011 Revision) Cabinet established the Minimum Wage Advisory Committee (MWAC) to carry out the necessary research and to recommend a minimum wage, or wages, for the Cayman Islands. The MWAC is made up of 12 members with equal representation of employers, employees and independent members and is supported by seven ex-officio members from the civil service.

The MWAC has met a total of 14 times between 3<sup>rd</sup> June and 10<sup>th</sup> September, 2014. In these meetings the MWAC has done the following:

- Reviewed and restructured the Terms of Reference to capture additional points raised by Committee members.
- Reviewed various researches from around the world and developed a Statement of Purpose.

- Received a presentation by the Economics and Statistics Office (ESO) on important data to be considered.
- Received a presentation by the International Labour Office (ILO) Senior Specialist for Employers Activities Ms. Anne Knowles who was invited to the Cayman Islands by the Chamber of Commerce.
- Received a presentation by the Department of Children and Family Services (DCFS) on data they hold and their processes for a better understanding of how families are determined to be “poor”.
- Secured a technical advisor from the ILO, namely Mr. Reynold Simons, Senior Specialist for Employment and Labour Market Policies and met with him via Skype.
- Met with representatives of the Cayman Islands Tourism Association (CITA) on the unique makeup of the Tourism Industry and how the implementation of a minimum wage may affect this industry.

Madam Speaker, it took some time for the MWAC to secure the consultant as initially the MWAC was going to utilise a Request for Proposal (RFP) approach, but through consultation with the Ministry of Education, Employment and Gender Affairs, it was determined that a Request for Technical Assistance was more appropriate.

In an effort to secure appropriate technical assistance to help guide and facilitate the process locally, the ILO was determined to be the most suitable agency based on their experience in the Caribbean region, and, specifically, on the topic of minimum wage. The ILO is a tripartite organisation representing the interests of Employers, Employees and Independents/Governments.

The ILO Consultancy is low cost to the Cayman Islands Government as there is no consultancy fee. The only items which the Government will pay for are travel, accommodation and per diem as necessary.

Collecting and analysing relevant data is an important part of the process, and Mr. Simons has provided the Economics and Statistics Office (ESO) with a matrix of economic indicators relevant to the exercise, and ESO is preparing this data for him to analyse. The MWAC has also begun collecting qualitative data and, to date, has invited 33 non-governmental organisations to submit their views on the introduction of a minimum wage in the Cayman Islands. Ten responses have been received to date. The MWAC will also conduct wider public consultation starting in the month of September 2014.

During this initial process the MWAC faced two main obstacles:

1. The extensive list of issues that need to be considered as part of the exercise.

2. Determining which of those issues should form the main focus of the Committee’s work in setting a minimum wage for the Cayman Islands.

Through the recommendations of the Consultant and consultation with Caucus, the MWAC will be focusing its attention on two main issues, one micro and one macro, to be addressed through this minimum wage exercise. The micro issue addresses exploitation and provide real relief to the lowest paid workers. And the macro issue to be considered is to improve employment opportunities for Caymanians by analysing labour market trends to determine the barriers that inhibit Caymanians from entering the job market, and the minimum wage point that Caymanians would be able to meet their basic needs.

The MWAC recognises that there are many issues to be considered in the Caymanian context. Therefore, the exercise includes analysis of various items that the Committee will consider in coming up with its recommendations, including consideration of the impact of a minimum wage on young people, small-business owners, and household employers. The Committee will also consider the overall impact of a minimum wage on economic growth and poverty in the Cayman Islands.

In regard to the timeline, the MWAC originally had 31<sup>st</sup> October 2014, as the deadline for their report. However, due to delays in securing the technical advisor, the breadth of the exercise, and the need to ensure that a proper period of public consultation takes place, the MWAC has requested an extension until the end of February 2015 for the delivery of their report.

At that time, the Government will review the report and consider the recommendations; and will be in a position to determine the implementation period for the Cayman Islands National Minimum Wage.

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

## SUPPLEMENTARIES

**Mr. D. Ezzard Miller:** Through you, Madam Speaker: Can the Minister confirm that it is the policy of the Progressive Government to introduce a minimum wage?

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

**Hon. Tara A. Rivers:** Madam Speaker, as the Member would know, members of the Progressive Government, (i.e., the members of the Progressives), campaigned very heavily on the introduction of a National Minimum Wage, and, as such, the intention is to have this exercise done in order to inform the Progressives-led Government as to what the appropriate

minimum wage should be with respect to the introduction of such.

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

**Mr. D. Ezzard Miller:** Madam Speaker, if the terms of reference of the Committee is that the Progressive Government intends to introduce a minimum wage, and as I understood when we debated this matter, the Committee was being set up to establish what the minimum wage was going to be, how has the terms of reference of the Committee widened beyond the determining what an appropriate minimum wage would be?

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

**Hon. Tara A. Rivers:** Madam Speaker, that question in itself is what the terms of reference provided and further refined by the Committee, aims to address: What is that appropriate minimum wage? And in determining that appropriate minimum wage there are a number of factors, many of which I discussed during the contribution on behalf of the Government during the motion that the honourable Member for North Side brought in February.

So, the essence of determining what this minimum wage is, there is the need to consider the items that the Committee has asked to consider, but has also distilled to the two (one micro, one macro) issues as to what the appropriate minimum wage should be in order to address those issues.

It is not appropriate to think of a wage in a vacuum. The minimum wage must address something, and it is that determining of what that something should be through the process of the dialogues the research the presentations that the Committee has been able to figure a concise goal as to what the minimum wage should be in order to address those two fundamental issues.

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

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister on behalf of the Government give this House and the people we represent the assurance that there will be no possibility of this Committee recommending that we should not have a minimum wage, but that the recommendations will be confined to what *will be* the minimum wage?

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

**Hon. Tara A. Rivers:** Madam Speaker, in not attempting to dictate what the outcome of the Minimum Wage Advisory Committee should be (because, of course, it is set up under law and there is a specific process that they are to follow pursuant to the law), the terms of reference given was to establish an ap-

propriate minimum wage, or wages, depending on what they decide, depending on their research, and to present that in a report to Government. So, it was clear that their purpose for being convened was to look at what would be considered as appropriate minimum wage and looking at different wages and potential effects of different wages, either addressing poverty or not, either impacting businesses or not. Obviously, the decision as to what that wage should be is ultimately a political decision which the Government would need to take.

However, the Government, through the process of following the legislative process as outlined in section 21, is required to consider what that report suggests based on empirical analysis, data and the qualitative type of work that the Committee has engaged upon.

**The Speaker:** I will allow one more supplementary, Member for North Side. And we will then move to item 4 on the agenda.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker. Because I do not want to wear out the generosity of the Government in allowing all of my Questions to get on the Order Paper, I thank you for controlling the length of time.

Can the Minister say that the present wording of section 21 of the Labour Law, which refers to recommending wages, does not need to be amended to introduce a single basic minimum wage, or is the Government expecting a series of minimum wages to be introduced?

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

**Hon. Tara A. Rivers:** Again, Madam Speaker, I think it would be premature to preempt what the outcome of their report would be.

However, we have given a clear mandate that the process should be made as simple as possible. And, obviously, given that we are just introducing for the first time in our modern history (I should say) the concept of a mandated minimum wage, we have stated that they should try to approach it from a simple, but comprehensive (if you can achieve both at the same time) view.

Again, I do not want to say what the outcome of that report is because that would be fettering to some degree their ability to do what needs to be done to make the appropriate determination. But we do look forward to receiving that report at the end of February as they have requested.

**The Speaker:** Madam Clerk.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

### HER MAJESTY'S RESPONSE TO THE FINANCIAL CONDUCT AUTHORITY'S "HIGH RISK COUNTRY" LIST

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

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

Madam Speaker, and honourable Members of this Legislative Assembly, I rise to provide an update regarding recent and important correspondence from Her Majesty's Treasury regarding the inclusion of the Cayman Islands on the Financial Conduct Authority's "High Risk Country" List.

Madam Speaker, as outlined by the Premier in his statement last week, Wednesday, our Government has been engaged, not just with the FCA, but with UK officials, including those in Her Majesty's Treasury.

To reiterate, our clear objective from the beginning was to ensure that the unwarranted inclusion of Cayman on the FCA list was corrected. As the public is aware, as a result of this engagement, FCA officials removed the list from their website and committed to a full review of their methodology.

Madam Speaker, further to these significant steps I was heartened to receive a letter last week, Friday, from Ms. Andrea Leadsom, MP, Executive Secretary to the Treasury, and the Minister with responsibility for the Financial Conduct Authority. This letter confirms what we had long maintained—that the FCA list was out of date and inaccurate, and it was not a current reflection of 'high risk' to the United Kingdom. Importantly, the letter confirms that the list is no longer in use.

As such, the FCA's review of their methodology is indeed appropriate. I am confident that the FCA's interaction with our Monetary Authority will provide them with further assurances of our very high standards, particularly as it follows the HMT team's trip to Cayman in June, which the UK Minister herself acknowledges was positive.

### ANNOUNCEMENT BY SPEAKER

#### HOUSE VISITOR

**The Speaker:** Honourable Minister, if I may just beg your indulgence to acknowledge the presence of the Honourable N. H. Cole Simons, MP, who is the Government Whip, from our Sister Parliament in Bermuda, and to welcome him in his personal capacity within the Cayman jurisdiction.

Thank you, Honourable Minister.

*[Continuation of Statement by Hon. Minister of Financial Services (Her Majesty's Response to the Financial Conduct Authority's "High Risk Country" List)]*

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

I was saying, Madam Speaker, that importantly the letter confirms that the list is no longer in use. As such, the FCA's review of their methodology is indeed appropriate. I am confident that the FCA's interaction with our Monetary Authority will provide them with further assurances of our very high standards, particularly as it follows the HMT team's trip to Cayman in June, which the UK Minister herself acknowledges was positive.

Madam Speaker, we are continuing the dialogue with the FCA, on a regulator-to-regulator level, because we must ensure that our system is understood. We must provide information, and allow room for discussion based on the merits of what we present.

Frankly, we realise the FCA's list could have become a significant incident, with a potential loss of business and damage to our reputation. Through the series of diplomatic exchanges between Government, the FCA and other UK officials, it, instead, has been given proper perspective as a misunderstanding that has been resolved, for which I believe all parties are grateful. Nevertheless, it underscores that as a key jurisdiction globally in the provision of financial services, Cayman must guard its reputation carefully and diligently.

Our financial services industry readily understands this fact, and, somewhat surprisingly, so does our public. Madam Speaker, based on feedback via radio shows, comments and face-to-face conversations, there is a broader understanding among Cayman's general public than what one may have thought regarding the importance of our financial services industry's reputation, upon our country's economic stability, and our standard of life.

Bolstered by this support, and the FCA outcome, Government is even more assured that our approach of increased international engagement, in particular over the last year, is the correct strategy for the challenges and opportunities found in today's financial services environment. In particular, we will continue to build upon our strong relationships with key stakeholders, including supranational bodies, such as the Global Forum on Transparency and Exchange of Information for Tax Purposes, and the Financial Action Task Force, and with Her Majesty's Government.

This is critical, as the rapidly evolving standards for financial services require both a sharp focus, and an alignment of perspectives, on a scale unlike anything that has come before. For this reason, Cay-

man, along with many other countries and territories, has expressed its support for the Prime Minister's agenda on tax and transparency as an initiative intended to help root out financial crimes globally, and to bring justice to the public, in both developed and developing countries worldwide, who are most affected by those crimes.

The mindset behind these initiatives, Madam Speaker, is taking root globally as recognition and acceptance grows that financial crime, by the very cross-border nature of its activity can never be considered a jurisdictional plague—it is a global one.

In doing our part, Cayman is well positioned to support these initiatives because we have been at the forefront of actions to combat money laundering and other tax crimes for more than a decade. Our systems, standards and regulations have been recognised and ranked highly globally.

This has not gone unnoticed, and aside from certain international NGOs that are pursuing biased agendas, the technical experts in key international organisations as well as in Her Majesty's Government, including no less than the Prime Minister himself, are aware of what we have accomplished.

Madam Speaker, our Government is focused on long-term success. As a jurisdiction, we cannot lose sight of the bigger picture, and the work that lies ahead of us. The FCA list will by no means be the last challenge we face in relation to our financial services industry.

We cannot afford to lose focus. My Ministry is very much aware of what is, and what will be, expected of all onshore and offshore jurisdictions when it comes to anti-money laundering standards and the fight against tax evasion.

I therefore take this opportunity to inform the Members of this Honourable House that the analysis of my Ministry's public consultation on beneficial ownership has been completed, and the key step that we are currently working on is an action plan for the next two years. I mention this work as it is part of our commitment to the Prime Minister's agenda, as referred to in Ms. Leadsom's letter. But again, it is only one small piece of a much larger picture. The next test of our jurisdiction will come as part of several assessments by international agencies that will occur in the next two to three years.

Madam Speaker, what the FCA incident, as well as the reality of ongoing assessment, proves is that Cayman cannot—it absolutely cannot—lose sight of the bigger picture, or take our shoulders off the work that lies ahead of us. In this, a strong partnership with the UK will be mutually beneficial and, as such, I publicly express my thanks to the Her Majesty's Treasury for the recognition that is expressed in this letter.

In conclusion, Madam Speaker, I am again grateful for the support from elected Members, industry, and the people of the Cayman Islands regarding

the FCA's list. I might add, Madam Speaker, that I am grateful and thankful for the Ministry staff, the Honourable Attorney General, the staff of the Cayman Islands Monetary Authority, for their effective work and contribution to a successful conclusion of this issue.

With your permission, I would like to table the letter from Ms. Andrea Leadsom, MP, Executive Secretary to the Treasury, in this Honourable House.

**The Speaker:** So ordered.

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

*[Letter from Ms Andrea Leadsom, MP, Executive Secretary to the Treasury, on the Financial Conduct Authority High Risk Country List dated 8<sup>th</sup> September, 2014, laid on the Table of the House]*

**Hon. G. Wayne Panton:** Madam Speaker, for the record I would like to read the contents of the letter.

**The Speaker:** Please proceed.

**Hon. G. Wayne Panton:** Thank you.

It is addressed to me as Minister of Financial Services, dated the 8<sup>th</sup> September 2014.

**“Dear Minister,**

**“Thank you for your letter of the 26<sup>th</sup> August regarding the inclusion of the Cayman Islands on the Financial Conduct Authority's High Risk Country List. I am replying as Minister responsible for Financial Conduct Authority (FCA).**

**“I think it appropriate that the FCA has removed the List from its website; it is out of date and they are no longer using it. I have met with Martin Wheatley, who has assured me that he has instigated an overhaul of the process and methodology for making these kinds of judgements in the FCA to ensure they are robust.**

**“The UK attaches utmost importance to its relationship with the Cayman Islands, including on an anti-money laundering and counter-terrorist financing. I am aware of the good work that the Cayman Islands are doing in this area and my officials have already made the FCA aware of the positive findings of their visit in June this year and of Cayman's continued commitment to the Prime Minister's agenda on company transparency. But if you would like to discuss this further, then I would be happy to arrange a call.**

**I am copying this letter to Martin Wheatley, Chief Executive of the FCA, and James Duddridge, Parliamentary Under-secretary of State for Foreign and Commonwealth Affairs.**

**“Best wishes.**

**“Andrea Leadsom.”**

Thank you, Madam Speaker.

**The Speaker:** We will now take the luncheon break and reconvene at 2.15 pm.

**Proceedings suspended at 12:59 PM**

**Proceedings resumed at 3:05 pm**

**The Speaker:** Please be seated.

Proceedings are resumed. We will move on to Other Business, item No. 5 now, Madam Clerk.

## OTHER BUSINESS

### PRIVATE MEMBERS' MOTIONS

#### Private Member's Motion No. 6 2014/15— Immigration Law—Immigration Accreditation System

**The Speaker:** I recognise the 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 move Private Member's Motion No. 6 2014/15, Immigration Law—Immigration Accreditation System.

**WHEREAS** the Immigration Law (2013 Revision) provides for the grant or refusal of work permits in the Cayman Islands;

**AND WHEREAS** in 2009, the Government of the Cayman Islands commissioned a working group to consider an Immigration Accreditation System ("IAS") to place stricter controls on the large increase in the number of work permits; increased evidence of employers acting unscrupulously; increased evidence of employees being treated unfairly by employers, employers failing to comply with statutory pension and health insurance requirements; and employers failing to fulfil their responsibility to recruit, train and provide advancement opportunities for Caymanians;

**AND WHEREAS** the Immigration Department does not have the resources to verify in each instance, whether an employer is complying with Health and Pension Laws or other industry specific statutory requirements;

**AND WHEREAS** it has been recognised that employers who comply fully with all statutory requirements and who have a proven track record of employing Caymanians should be rewarded for their commitment;

**AND WHEREAS** a system to be called the Immigration Accreditation System has been proposed to better regulate the granting of work permits

**AND WHEREAS** Cayman has had to traditionally import skilled labour to compensate for

the shortage amongst the local labour market in order to meet its employment needs.

**BE IT THEREFORE RESOLVED THAT** the Government consider a review and, if necessary, a revision, of the Immigration Law (2013 Revision) and the draft Immigration Accreditation System with the view to implement, in short order, and no later than in six (6) months, the methodology set out in the draft Immigration Accreditation System documents;

**BE IT THEREFORE ALSO RESOLVED THAT** the Government appoint a task force to consider any relevant revisions to the Immigration Law subsequent to the draft IAS documents. Such task force to carry out public consultation and input from related stakeholders and present their revised draft of the Immigration Accreditation System which draft will be included in a revised Immigration Law and brought into effect;

**BE IT THEREFORE ALSO RESOLVED THAT** the Government consider as part of the Immigration Accreditation System, the Singapore model, whereby for each skilled worker imported, ten percent of the work permit fee currently paid for such work permit holder, be paid into a segregated fund by the Immigration Department. The fund should be used solely for the training and up skilling of locals in order to teach skills and retool workers in order to allow unskilled locals to enter into and succeed in the skilled labour market that they are currently not able to access. Such fund can also act as a workforce income supplement to replace social services for those able to work and actively looking for work and willing to undergo such training in order to incentivise employers by supplementing salaries of locals training for employment.

**The Speaker:** Is there a seconder to the Motion on the floor?

I recognise the Fourth Elected Member for the district of Bodden Town.

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

I rise to second Private Member's Motion No. 6 2014/15.

**The Speaker:** The Motion has been duly moved and is open for debate. Does the Fifth Elected Member for George Town wish to now expound on his Motion?

*[No audible reply]*

**The Speaker:** Please proceed.

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

Madam Speaker, this Motion is about Immigration and skills development. The Motion asks that the Immigration Accreditation System, as proposed initially in 2009, and recently raised by the Premier during the Budget debate, be reviewed by a working group to consider placing stricter controls on businesses that would seek to circumvent or subvert our immigration laws.

Madam Speaker, the Immigration Accreditation System was designed to have companies pre-qualify before they could apply for new and renewal work permits. The system is something that needs to be reviewed. But it is a good first step in the right direction and should be given priority.

When I did my research for this Motion I looked back at some of the documents about the accreditation system criteria, and I just want to read some of those and to see if we as a country have achieved those since 2009 satisfactorily.

One of the criteria was maintaining a high standard of business ethics along with providing proof of the various licences and regulatory documents, including compliance with national pensions, health, labour laws, et cetera.

The second criteria was to develop talent within organisations, including doing in-house training programmes, noting the average hours of training per Caymanian employee, on-the-job training, scholarships for Caymanians, promotions of Caymanians in the last 12 months, and looking at that in terms of the ratio of the overall workforce, participating in local education programmes, (i.e. school programmes, mentoring, work experience, et cetera); sponsorships of youth leadership programmes, including the example used there, the Junior Achievement programme, and providing cultural awareness training for all employees.

Madam Speaker, that criteria also spoke about fair and equitable pay practices, percentage of Caymanians as employees, percentage of Caymanians in management, health and safety practices, disaster preparedness programmes. It also spoke about community programmes; sponsorship of not-for-profit organisation programmes; participation in school literacy programmes, youth programmes, elderly assistance programmes, counseling programmes, et cetera.

Madam Speaker, it also spoke about business ownership, evidence of Caymanian ownership, evidence of profit sharing in accordance with the shareholding agreements. I would submit that we have done some of these things, but we still have a long way to go. And whilst this accreditation system is by no means perfect, Madam Speaker, I think it would serve as a constant reminder of how we as a country define good corporate citizenship and the goals that we want for our people. Because with any kind of investment or development in Cayman, if it is not for the

good of the Cayman Islands and the good of its people, then, again, I submit—Why are we doing it?

Madam Speaker, the agenda entails awarding companies for good business practices, for promoting Caymanians in the workforce, while preventing abuse of migrant workers. We have to admit that we do not have the personnel in immigration to police the businesses, nor should we do so myopically. We cannot afford to keep the status quo because for 40-plus years it has not worked. The stick approach has not worked for the Cayman Islands. But what we can do, Madam Speaker, is come up with a better way, a more transparent way, one where Caymanian people can share in the success of these Islands with the feeling that they can subscribe fully to that Caymanian dream that their parents and grandparents had for them. We continue, unfortunately, to have those who would feel that they are bigger, smarter, or simply too good, for the laws of these Islands. That cannot continue.

Madam Speaker, the Immigration Department is unable to keep up with the fast-moving dynamic issues. We only have to look at the headlines and see some of the issues that come to the forefront that sometimes cause irreparable damage, and sometimes damage that we do not even know the quantum of. So, again, I submit that the stick approach has not worked. We cannot continue to have visitors to these Islands detained, embarrassed, and upset because we do not know where that will lead. We do not know if every day we hasten some sort of economic downfall. A simpler system, a clearer system, a solution-based system is what we need.

Madam Speaker, the accreditation system will reward those who come here to do the right thing and that have the best interest of the country at heart; those who hire, train and promote Caymanians to the highest levels. These businesses, based on an accreditation system, would have a competitive advantage, and rightly so, because their fees, their access to work permits and other things would be a lot smoother.

Madam Speaker, those who fail to do their part, to pay their pensions and health, tacked unscrupulously to try to thwart the laws of the Cayman Islands, would therefore be unable to participate in the full spoils of those doing the right thing. And, Madam Speaker, I think that sends a very powerful message as a positive message, because we as a Caymanian people have traditionally and historically been very inviting to anyone who comes to these shores. A lot of times that kindness has been taken for weakness, and a lot of times our people have been abused. I challenge anyone to say otherwise. But, Madam Speaker, for those who do, we should applaud them and we should thank them because we are still not at that stage where we are fully self-sufficient. We must have emigration and we must get along.

As stated before, Madam Speaker, I think the accreditation system is a way of simplifying our immigration laws and it is a good starting point.

I turn to the upskilling portion of this Motion which surrounds employers contributing to a specific fund when they pay their work permit fees. And we are not, Madam Speaker—and I will repeat this and will say this very slowly, because I think that sometimes I must not be speaking clearly when I am in the House because when reading the headlines it does not match the Hansard.

Madam Speaker, for fear of being confused once again in the blogs, we are not proposing any increase in fees. Ten per cent of all *existing* work permit fees will go to a skills development fund. And I believe that they should be collected by the National Workforce Development Agency, or NWDA. But again, I am asking the Government to consider this, and that is just my suggestion. And maybe I am a bit partial, given the Ministry in which I am the Councillor.

Madam Speaker, the proposed system would provide grants to companies to allow them to send their unskilled workers for training in agreed categories based simply on the number of work permits in that area that are granted year on year. Because, in some areas we have few Caymanians taking up those skilled opportunities and the argument always is that they do not have enough skills to get the job. So, Madam Speaker, this Motion seeks to cure that argument.

And, Madam Speaker, before I get again misquoted, or before my intentions are somehow skewed, this is not something that I dreamt up overnight. They often say that imitation is the best form of flattery.

Madam Speaker, I studied the Singapore model and we all look worldwide to Singapore as a country that came out of the swamps and became a world financial power. And this is squarely taking a page out of their book. I will admit plagiarism in this instance, but it is something that I think Cayman has to do to ensure that our citizens are able to avail themselves of every opportunity in these Islands, and that they can take up their places, their birthright to the top jobs in this country if they prepare themselves.

Again, Madam Speaker, I am going to go slow here: I am not saying that *being* a Caymanian is a qualification. What I am saying is that if Caymanians do all that is asked of them by employers, then, their birthright and the laws of these Islands dictate that they should get first dibs at any opportunity in those firms. That is what I am advocating, Madam Speaker.

Madam Speaker, if companies sign up they can get back some of the 10 per cent they would pay for their skilled labourers. So, it is not a fund that is being paid into, which no one will get anything back out of. For unskilled labourers in the organisation, to be able to get them skilled up would increase productivity, increase morale, and would reduce your bottom line because you do not have to go out and pay work

permits since you have trained up local labour and you are reducing it.

To me, Madam Speaker, I see this as a win-win situation for the employer, for the employee, and, most importantly, for the Cayman Islands.

Madam Speaker, some of that money would go to formal training in terms of competency based skills classroom-type settings, like the Superior Auto programme, where a person would have to go through a series of classrooms and hands-on experience, but then you are assessed and internationally graded on your competencies. So, when you hold that piece of paper, it is like what the older people used to say, *Once you get that education that is the one thing they cannot take from you*. And a lot of our people have the skills; they just do not have the paper to prove it, Madam Speaker. And this is what this fund would try to do.

Those people who would have skills who can walk the walk but cannot talk the talk, this would be taking those previous skills, putting them through the paces so that they can show the world and employers that they are equally as competent, or better, than anyone that we are bringing into these Islands. That is my dream for the people of our Islands: that they are seen as competent as they really are in some instances where they do not have internationally recognised credentials to prove it.

Madam Speaker, in truth, if used properly this fund can severely reduce the amount of welfare paid in the Cayman Islands because our Caymanians will be able to prove that they are skilled. Under the current law, as I said before, they would have to be given first choice if we are comparing apples with apples. The thought is that, once upskilled and gainfully employed, our own newly-skilled Caymanians will no longer then require welfare. So it is a counterbalance, Madam Speaker. I know that the analysis has to be done. But intuitively I would think that if we have a more productive workforce where more people are participating in the economy, then there will be less of a burden on the coffers of our Social Services.

Madam Speaker, I touched on internationally verified skills. This is the only thing, in my estimation, that will give our people the best chance at economic success. Because, far too often, Madam Speaker, we look overseas, we see credentials, and those credentials are weighted in favour of practical experience. And so, in my mind, the only thing to do is to get those pieces of paper, and that will take away any of the guessing. At that time, if someone would then seek to still abuse or circumvent the law, then that is when we use the stick, Madam Speaker.

We are all adults, Madam Speaker, and we know the rules of society. We come into the Cayman Islands and we are expected to follow those rules and we are expected to do the right thing by the people of this country.

Madam Speaker, I envisage that the eligibility criteria would be that all companies would be registered with a body like the NWDA. Only the employees who are Caymanian citizens or permanent residents would be able to access these training programmes. And the trainees must attend and fully participate in the programmes or they will be forced, in some instances, to repay these fees. Again, we cannot be putting programmes in place trying to help our own citizens and then squandering the opportunities. That leads to a lot of stereotypes, and that leads to us taking two steps backwards for every one step.

Madam Speaker, I also do not think that this programme should be aimed only at technical or vocational professions. It should also help small professional shops, like the law firms and accounting firms, to better train Caymanian staff and encourage continued professional development across all job functions, from entry level to managers and senior level executives.

We have gaps across the board, Madam Speaker, and what this accreditation system and this fund would do, or should be designed to do, is to fill those gaps. Let us do the proper analysis, let us find where those gaps exist, let us fill them and then let us hold businesses accountable.

Madam Speaker, these programmes would also encourage collaboration with industry partners to address knowledge and capability gaps. We need to upskill our citizens to meet labour needs of employers. We need to have continuing education and training centres or apprenticeships led by industry associations to enhance our unskilled labourers. And the aim would be to give employers and Caymanians a sustained skilled development pathway where Caymanians can plan their career progression while employers can leverage it for their company's future development plan.

Again, Madam Speaker, I am not talking about any kind of nationalistic lines or artificially protecting Caymanians. This is what other first world industrialised countries are doing. The question surrounds how do nations increase the workforce skills and what the role of government is in leading the national upskilling efforts. Singapore has done this in a relatively short period of about 40 years. And I am talking relative in history, Madam Speaker. This is not a magic bullet. It is not going to cure things overnight. But we as a Government, we as legislators, have to come up with a plan and then we have to start executing it, because when asked our children and grandchildren will want to know if we had the foresight to protect their heritage, if we had the foresight to predict some of the employment skills necessary, if we had the foresight to ensure that they could have full participation in the Caymanian dream that so many people have come to these shores and realised.

Madam Speaker, I hope and I believe that this Government, led by the Honourable Premier, has

identified the general linkage between economic development needs and skill formation and development. I know this because of the discussions we have in caucus and cabinet. I know this because every single person in this Government and in the Legislature, I truly believe, wants to do the right thing by the Cayman Islands and by its people.

Madam Speaker, the Minister of employment has identified that foreign direct investment is dependent on skills development and joint public/private sector cooperation for skills training, because it is crucial in the ability of the economy to meet its short-, medium- and long-term goals. The Government has also identified and embarked upon educational reform for long term skills development. A skills development fund that induces private sector firms to invest in upskilling is both timely and necessary, Madam Speaker.

Madam Speaker, we have to come up with a comprehensive plan to prepare the Caymanian workforce for the future and maintain a competitive advantage for Cayman. For employers the plan should be to enhance quality and productivity by helping their employees require industry relevant skills and stay ahead of industry developments. For all Caymanians the plan would form the fundamentals of a lifelong learning system to help workers find their niches, seize opportunities in new growth areas, remain relevant and, most importantly, Madam Speaker, employable. This plan would enable our workers, including rank-and-file workers and professionals, managers, executives and technicians alike to remain employable and to keep acquiring new, better and relevant skills.

I would ask the Government, Madam Speaker, to consider the workforce of the future; to consider what the goal of our resident workforce will be in 5, 10, 15 and 20 years from now. I think a goal of at least 50 per cent of all of them having some sort of diploma qualification across the board is more than doable if we roll up our sleeves and get the proper systems in place to support that.

Madam Speaker, the world is changing. Emerging in growth industries will require that Caymanians equip themselves with skills to seize job opportunities in these new industries, whether they are preparing for new jobs, switching careers, or just acquiring new skills. As part of any such plan the Government needs to ramp up the capacity of the training infrastructure, establish stronger linkage between training and pre-employment educational institutions and focus on adult learning to develop the capacity of adult educators.

Madam Speaker, if one of our aims is to dramatically increase the annual training capacity by 2020, the Government must partner with all education and training providers on Island and come up with a comprehensive plan for both the public and private sectors. We need to set up quality training and apprenticeship opportunities for growth industries as well

as expand our existing high quality and industry relevant training courses at both the government's university, UCCI, and the private university, ICC, and other private sector centres for competency based training.

Madam Speaker, this Motion will also encourage, hopefully, an employment master plan, because in addition to building stronger manpower capabilities, employers and workers also benefit from higher continued employment and training capacity, enhanced funding support for training, and a comprehensive suite of structured skills training pathways across different industries. We cannot prepare people for jobs; we have to prepare them for life. We have to prepare them to be able to cross paths with transferrable skills because the jobs that we know now will not be the jobs of tomorrow. We need to create critical thinkers with transferrable skills.

Madam Speaker, from discussions with my colleagues, the Government is committed to establish a high quality and sustainable infrastructure to support lifelong learning and skills upgrading for our workforce, and I commend to them this Motion of the accreditation system and the upskilling fund as part of that solution. We will need to partner with the relevant industries in order to fully provide education and training opportunities that are relevant and quality programmes that meet sectoral needs. Madam Speaker, I believe the support for this initiative would underscore the continued commitment of this honourable House to training and its increased importance in augmenting economic competitiveness as well as enhancing workers' employability.

If we achieve a system of national continued education and training, Madam Speaker, we will go a long way to reducing unemployment. That is why the accreditation system is so important. We need to set out upfront and very clearly what we expect of those businesses that would come to Cayman and that are in Cayman. We want them to succeed, we welcome them with open arms, but that comes with certain responsibilities that they must demonstrate they have done before they are allowed to continue, because for far too long we have allowed some to go on with impunity, with blatant disregard for our laws and circumventing those laws. Madam Speaker, for this to work for all people in the Cayman Islands, and in this House I represent Caymanians, so I am speaking specifically to those people. They must have an equal bite at the cherry if they do their part.

Madam Speaker, I make no apologies for being who I am, and that is a proud Caymanian. I will always be open to people from all walks of life, all jurisdictions, because I truly believe that if we get to know each other, the world becomes a smaller place and we all become more productive, more friendly, and it is the way society and networking should work. But that is just me, Madam Speaker. I do not speak for anyone else. And for those people who would look at it another way, I say the carrot approach is the

great equaliser because it will affect businesses in the pocketbook if they do not do the right thing.

Madam Speaker, continued dialogue will ensure industry agreed national skills. We want employers to be part of the solution. In fact, we need them to be part of the solution because we cannot sit here as legislators making laws that are irrelevant hoping that they achieve some great purpose. That dialogue must happen but it has to happen honestly, openly, and it has to benefit the people of these Islands.

Madam Speaker, the Government understands that investing in our people, their knowledge and their skills, is fundamental to building a new Caymanian economy. Every person, including every Caymanian, deserves the opportunity to get the skills they need to succeed in this economy, whether they are training to be an electrician, an engineer, a lawyer, or even an age care worker.

Madam Speaker, we also know that the jobs of the future will be more skilled and require higher levels of training and education than we currently have. We only need to look at those graduating from our schools to recognise that for every stellar report there are three times as many, in some instances, that are not. What do we do with them, Madam Speaker? We see some of the results in our prisons. We see some of the results in the repeat offenders that we were just talking about as recently as Friday, Madam Speaker. We can upskill our people. We can circumvent that path to nowhere. But we have to come up with a plan and have to give them relevant skills, and sometimes not push them down a road that they have no business going down, because they are not suited for that. We need to give them relevant skills for their aptitude.

Madam Speaker, just looking at the work permit situation, we realise that many industries are facing skill shortages. And when employers are spoken with, they all say, *If I could find a Caymanian that had the necessary qualifications it would be a no brainer to hire them because I do not want to be paying the Government such high fees for work permits.*

Madam Speaker, it is time to talk the talk and it is time to walk the walk. We need to ensure that these businesses know what the country requires and then we need to hold them to those requirements. And we need to reward them when they do.

Madam Speaker, in my view, that is why government must drive vital skills and training reform. We cannot keep waking up every day and try the same old thing and expect different results. Let us take some of that pride and put it behind us—that our people are too good for certain vocations, that our people are too good for certain sectors of the community. Every job has worth. Every Caymanian can be the best, whatever they want to be, and that should be something instilled from the minute they are born until the minute they die.

Madam Speaker, successive Governments have sometimes given vocational training and upskilling lip service. Some have made some headway, but we have to get it right. Before we had some margin for error and people could bounce around and get jobs. We see now that that is not the case.

I was at a meeting last Thursday night. One of the people in the audience got up and said that he had put out an ad for part-time workers and he had 175 Caymanians apply for part-time work. Madam Speaker, that spoke volumes to me. We have to upskill our people.

Madam Speaker, I do not think anything that I have said today should be taken as controversial or should be taken as nationalistic or anything of the sort. If it is, it is what it is. But I think industry should be 100 per cent behind this model as an effective way to meet workforce requirements and address the skill needs of the nation. It is in their best interests, Caymanians and non-Caymanians alike. Because if someone is in business and they can get the proper skillset here, they are going to reduce their bottom line.

Madam Speaker, I would be proud to be associated with something that in 10 or 15 years we can say that we looked down that barrel, saw the light at the end of the tunnel, and we upskilled our workforce so that they could fully participate in the economy of the Cayman Islands.

With the accreditation system, Madam Speaker, employers who do will be showcased and rewarded for co-investing with the Government to train current and prospective workers to meet their skills demand. Skills, Madam Speaker, are the lifeblood of a modern economy. And the Government must work hard to ensure that the majority of the Caymanians on these shores get the training they need to participate and share in the nation's prosperity, both today and tomorrow. In fact, training more Caymanians for the jobs of the future is both an economic and a national imperative. It has never been more important to ensure that this nation has a skilled and productive workforce in the pipeline to take up the jobs that we import on a daily basis. If we do not try to stem that, more and more people are going to be farther and farther removed from that pipeline. And then the Government of tomorrow will basically be raising funds only for social services.

Madam Speaker, we must ensure that Cayman remains resilient and competitive well into the 21<sup>st</sup> Century. Cayman's success has created an unprecedented demand for highly skilled workers and these workers, based on the work permit data, often come from overseas due to the lack of a skilled Caymanian workforce. And in five years there will be a greater shortfall of these skilled workers if we do not push from now to close that gap.

We will never get there, Madam Speaker, because even if we gave every single Caymanian an

opportunity we would have more jobs than we have Caymanians. And that is a good thing. But every single, able, capable Caymanian, if they have done their part, must be given priority. And this fund that I am proposing to the Government to consider, would ensure that people are undertaking apprenticeships and traineeships and are being prepared for these opportunities. And if they do not avail themselves to it, then shame on them. But at least as a Government, as those responsible, we would be putting in place the proper systems.

Madam Speaker, again, I submit that such a fund is not a novel approach to skills training; it would be new for the Cayman Islands. I think that it would be at the heart of any training efforts that this or any subsequent government should undertake because we have to find way to pay for it.

Madam Speaker, I believe that in such a fast moving economy, more and more Caymanian businesses (and I use that term meaning "resident" in Cayman, no nationalistic separations there) are recognising the importance of investing in their people to meet their current and future workforce needs. This fund is an innovative model that has been used in other places, including Singapore, to enable businesses to co-invest with government to train, reskill and upskill workers in areas of skill needs.

Madam Speaker, since this Motion was announced in the papers on the 2<sup>nd</sup> of September, I have had a number of positive statements in support of the fund. But I will again say that this is not my idea. I am just borrowing it, because I do not believe in reinventing the wheel. I believe that it has been tested in other places and we can learn from the pitfalls and tweaking that they have gone through. And I also believe in some homegrown medicine, Madam Speaker. And the Deputy Governor, when he was the Chief Immigration Officer, supported the accreditation system. And although the population has changed and some of the needs have changed, I do think it is worthy of review, refinement and implementation, Madam Speaker. We have to simplify this immigration process. We do not have the people to enforce the laws and the plethora of categories that we do. Let us try to have people self-police and reward them for doing the right thing. It is a simpler, easier, more transparent system.

I know my good friend, the Minister of Finance, will be scratching his head trying to figure out where the money is coming from, but I would say to him that we need to look at the net effect, because if we can reduce people's reliance on social services and we can upskill them and prepare them for the future, that is a cost that should be worth finding; that is a cost that we should all try to sharpen our pencils and come up with, Madam Speaker. And it does not need to be from the work permit fees. I will leave that to better financial minds than mine. That was my suggestion, and one that is echoed by the Member for

Bodden Town. And I thank him for his support in something that the independent candidates and I campaigned heavily on. We wanted to see Caymanians availing themselves of every opportunity that these Islands have to offer at the highest levels. And I know that the Premier and the Progressives, as you can see by the support of my fellow Councillor and Member in this honourable House, share the same views.

Yes, the independent Members of Government, but I am sure I will extend that to my independent Members over there, because every single one of them on that side, I know has the interest of Caymanians at heart.

Madam Speaker, the fund would essentially operate on a sliding scale if we go the work permit route because the large businesses and professional firms that have higher work permit fees would obviously contribute more. And I think it would give them the incentive to look at Caymanian labour and train it up because they would be reducing their work permit fees over the long haul. The smaller- and medium-size businesses would pay proportionately as well. But the benefit that they would get from this fund as a supplementary fund source for salaries and training would come back in droves. This is not about take, take, take. This is not about putting it into general revenue. This is about ring fencing this and using it and measuring the outcome of that dedicated effort to make our Caymanians better and eventually best.

Madam Speaker, the objectives of this priority are to contribute to increase skill levels in the workforce and to enhance the productivity of the workforce. But I also hope that in time it will go a long way to ending some stereotypes of Caymanian labour. With skills, the morale will increase, the productivity will increase and people will see what thousands of people saw in the past when they looked at Caymanians—hardworking, knowledgeable and some of the best in class in the world. And I think it is time to translate that from seamen to every single profession in our country, and remind our Caymanians that they have awesome opportunities and that we as legislators and we as a Government are here to help.

Madam Speaker, I commend this Motion to this honourable House and ask all of my colleagues to support it, so that we can start on the solution to a simpler immigration system, in assisting our citizens to avail themselves of every opportunity that presents itself in Cayman for upward social mobility and economic success.

Madam Speaker, thank you for your indulgence.

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

Fourth Elected Member for Bodden Town.

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

Madam Speaker, I had decided that I was not going to say very much about this Motion because my colleague has done a good job explaining what it is we are proposing here. But I decided that life is short, and I may never get the opportunity again so I had better get what I have to get off of my chest when I have the opportunity.

*[Inaudible interjection]*

**Mr. Alva H. Suckoo, Jr.:** Madam Speaker, when the Fifth Elected Member for George Town asked me to second this Motion I immediately agreed. But when I sat and thought about it, I must admit that I had a few second thoughts because I am more of an advocate for the stick approach rather than the carrot. But, Madam Speaker, when I went back to my office in Bodden Town and I sat down and looked at the . . . what I do is when people come to see me as constituents is . . . I have a single sheet of paper that I keep track of the meeting and what we discussed and so on and what actions were to be taken. I looked at the stack of meeting notes that I had on my desk and realised that they have grown to about two inches thick in a short year. And looking through those notes, Madam Speaker, I realised one thing; the vast majority of those notes were related to employment issues.

The majority of people who come to see me as their Representative, Madam Speaker, make that common complaint all too often, that they are having difficulty finding jobs. They are having difficulty making ends meet because their current job does not pay well enough, and it has gotten to the point where I do believe we are suffering from an ill that has to be addressed with extreme determination, or we are going to get caught up in a downward spiral that we will never recover from.

To understand the situation, Madam Speaker, we have to really look at how our labour market is actually put together, and understand the issues from that point of view. The Cayman Islands does not have all of the components from a successfully well-regulated labour market. We have our employers who are extremely well organised, and there are a number of associations that these employers are a part of. But the Government itself acts as a regulator and government is also an employer. And government is tasked with enforcing our labour laws and immigration laws. So, Madam Speaker, it is not always the case that government gets it right. We have seen that. We have seen examples of that. We have seen examples where employment agencies are starting to take on the role of cheap labour brokers and they seem to be more focused on importing cheap labour for profit than anything else.

Madam Speaker, I have known numerous examples where Caymanians have registered with these

labour agencies and have been totally ignored. I have also seen instances where Caymanians will proactively contact an agency and apply for jobs on their own, which they have seen advertised by the agency, only to be told that the job is a work permit renewal and perhaps they would be interested in another job. And then it goes back to that cycle of not being called, not being contacted.

I will not be naïve and believe that anything can be perfect, Madam Speaker. But I do know that we have a lot of work to do in this area. What is missing is a major component of a self-regulating labour market. We are lacking representation for the labour itself, Caymanian labour. We have no unions, Madam Speaker. And in the face of this the Government is called upon to be more proactive and less reactive in protecting the rights of Caymanians. This is the genesis of this Motion, Madam Speaker. And I believe we are providing a proactive solution to a growing problem. I think this Motion is an important first step in dealing with the exploitation of labour and discrimination against Caymanians.

Yes, there is a need for the Government to follow its own policies as well and to hold civil servants to the same standards that we hold the private sector to. And I believe we can achieve those things and that the Deputy Governor will speak to those concerns as well when he gets up to speak on this Motion.

The question I have always asked myself, Madam Speaker, is if Immigration is the right agency to be dealing with labour issues. For the most part they do not have direct access to the issues that come up within the labour market affecting Caymanians. And they are not able to engage the public from a labour point of view because they are obviously working to enforce the Immigration laws from a border protection point of view. And they may not have the necessary synergies with the labour agencies and so forth to make the right decision on work permits.

I know this is something that we have worked on in the past year and more. And I think we are getting it right, but, traditionally, there has been a concern that the Immigration Department may not have been the best agency for dealing with work permits; not just from a point of view of being able to stamp a permit and say that there is no Caymanian available for that job, Madam Speaker, but also from a demand and supply point of view. It is important that whoever is approving work permits, to have access to the demand and supply for labour in the market.

I believe, as my colleague said, that the department lacks the proper resources to properly monitor and arbitrate and enforce the laws in all areas that affect labour.

Madam Speaker, we did hear about a number of successes with the NWDA. I was pleased to have been asked to chair the NWDA Taskforce, and a number of good solid solutions have been put forward

that I think will go a long way in improving the labour situation. I have heard the concerns of many people about what can the NWDA do for Caymanians. Traditionally, Caymanians have not relied on that agency to help them find employment and remain employed. But I have seen a huge effort in the past twelve months or so, starting around September last year, that was put into turning that department around and making sure it is there to provide the necessary support to Caymanians who are looking to be employed.

Madam Speaker, the jobs are there. My concern is: are the employers actively trying to hire Caymanians? When I look at the NWDA job list, which I now have access to, I tend to see the same positions over and over and over again. I really do not see an influx of new positions being registered actively. And I think that there are some employers out there who are only paying lip service to our unemployment situation, and who say that they may be trying to support and hire Caymanians. But are they making a real effort, Madam Speaker? I believe some of them are not taking our efforts seriously.

It is not all about beating up on the employers, Madam Speaker. We have to decide what sort of relationship we want to have with industry and what we want for our people. The NWDA does not have the ability to influence the supply of labour. I believe they are making important steps towards being able to influence what educational and vocational agenda the country has, but they do not have the ability to control the inflow of foreign labour. And that is where there is a major issue and concern.

The NWDA, however, is working with employers to develop a skilled, educated, reliable pool of Caymanian labour that is suited to fill the jobs that become available within our marketplace. But I think we are now at the point, Madam Speaker, where we have to make it mandatory for all employment vacancies to be listed with the NWDA. Likewise, I think we are also at the point where we have to insist that unemployed Caymanians also register themselves with the NWDA. That is the only way this relationship is going to work. In order to help Caymanians we have to know who they are, who is unemployed, who is having difficulties holding jobs, who needs training, who needs the upskilling to be successful in the marketplace. We cannot go about this using guesswork, Madam Speaker.

There is no secret, Madam Speaker, that unemployment hurts the economy. The strain on government resources is obvious. If someone is not working they will at some point, inevitably, have to rely on the Government to help them. It adds more people to the social services list, without a doubt. And the increase in social issues faced by the country due to unemployment I think is immeasurable. Prisons become crowded and strained. The police become resource strained, and no good comes having Caymanians unemployed sitting idle unable to pay their

bills, take care of their families. We are seeing some of the end results of that now, Madam Speaker.

Madam Speaker, I have said it before in this honourable House and will say it again, we have to control the level of imported cheap labour that is coming into this country. It competes directly with the young people who are leaving high school, who are deserving of entry level positions in the various industries. There is stiff competition now for jobs between our young people and people who are brought in here as an economic relief to some employers. And further down the road, the longer those individuals stay here some may qualify for permanent residence. Again, that only seeks to make the problem worse.

I know some will accuse me of being xenophobic but it is the reality that I see reflected in those meeting notes on my desk, Madam Speaker. Caymanian labour must have stronger representation in the marketplace. We will face reputational issues if we continue down the road of cheap labour and labour brokers.

Madam Speaker, the Cayman Islands economy never had a thriving manufacturing component. As a result, we never had a financial services sector that emphasised special knowledge-based Caymanian labour, and instead relied on a steady stream of imported knowledge workers. I think we have to focus our educational opportunities in those areas where we see the most work permits being granted. There is no sense in training our young people to become rocket scientists when we need accountants. I know that there have been advances in the Education Ministry towards streamlining this and putting an emphasis on those areas where we see that there will always be a demand for Caymanians. And I think they have to be applauded for the work they have done in a short year.

Madam Speaker, we have a construction industry that now relies—I would not say entirely, but getting close to it—on imported labour. And as the trend to outsourcing continues this will only get worse. So as more and more development projects come on line, Madam Speaker, we will undoubtedly see that the economic benefits to the economy are reduced. Overall, the impact could potentially be much larger.

In terms of volume of labour I think our tourism sector could be more closely compared to having a manufacturing industry here. But what have we done to entrench our middle class into this equation? Until this month (September), efforts to provide education in tourism have been largely sparse and undedicated. And now, finally, we do have a real effort that has been put forward to accomplish that.

We have to push the educational opportunities for our people, Madam Speaker. As one of the top offshore centres in the world we should have people flocking to our shores, not just to enjoy the beach and the tourism product, but to take up educational opportunities here as well. We should have the top business

schools and we should have the top tourism training facilities right here. Those are the two things that we are extremely good at.

Madam Speaker, as our population of Caymanians expands, so, too, should our middle class. But lately I have noticed with a lot of concern that we seem to have a disappearing middle class. Madam Speaker, when the middle class disappears into poverty they take the economy with them. We do not want to end up in a situation where we have the very rich and the very poor. There must be a thriving successful health middle class to keep this country's economy going. They have to be our most cherished group of Caymanians. We cannot have our young people leaving high school to join the unemployment line. It is happening now, and now is the perfect opportunity to stop it. It is not too late. We can put things in place to ensure that our young people have a bright future ahead of them.

Madam Speaker, for most of this century or the latter part of this century, the relationship between corporate wealth and job creation was clear and obvious. As businesses prospered and grew, so, too, did the job opportunities for Caymanians. And that is how it should work. As firms and corporations grow, there should be a corresponding increase in jobs, benefits, salary increases, and other financial benefits for Caymanian employees.

#### **Moment of interruption—4:30 pm**

**The Speaker:** Honourable Member, if I could just have your indulgence I will call on the Honourable Premier to move the suspension of Standing Order 10(2) so that business can continue beyond the hour of 4:30 pm.

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

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

Madam Speaker, I beg to 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 business of 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.**

**Private Member's Motion No. 6 2014/15—  
Immigration Law, Immigration Accreditation  
System**

*[Continuation of debate thereon]*

**The Speaker:** Please continue Fourth Elected Member for Bodden Town.

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

Madam Speaker, I was saying that it is natural, as the economy does better, as firms and companies do better and grow, that the opportunities available to the local population should also increase. But in our case we are slightly unique in that we did not have the labour and local knowledge base to quickly meet the demands of a growing very fast paced and quickly increasing financial services industry and tourism industry. So, we imported labour because we were compelled to do it. We had to build the infrastructure. We also had to import the knowledge to build our service based industries.

Madam Speaker, I am not completely against labour and expertise coming into this country. I know that we cannot do it alone. I know that the quickest way to develop and grow an industry is to rely on those who have done it before and who have the experience. But during that time of rapid growth when Caymanians were able to fit in, they were able to find jobs. Things were balanced. Our young people were going away to school, coming back with college degrees and finding opportunities. Those who did not were able to get entry-level jobs and work their way up in these corporations. Those are what I refer to as the good old days in the Cayman Islands. But because we were growing and the demand for our services and our tourism experience was high, there was not so much of an issue and those who came and lived and worked among us enjoyed a symbiotic relationship with us. There were those one or two instances, yes, where people were unhappy and things did not quite work out how we wanted them to, but they were easily dealt with. But that was during the time, Madam Speaker, when our Caymanian middle class was growing and thriving and supporting this economy.

They were able to invest in their own children's education and start business of their own quite often. Many of us built businesses that provided goods and services to those who came here to live and work. The middleclass was the engine that powered this economy. And as a result, Madam Speaker, businesses did not really have to contribute in comparison to other jurisdictions, a whole lot to the government coffers. These secondary industries and businesses actually helped to fuel the economy. We were able then, Madam Speaker, to achieve that eco-

nomie miracle without having to rely on income tax that so many other countries had to do.

But, Madam Speaker, this balance has now shifted and corporate growth does not automatically result in jobs. We have seen this and the effects of this in outsourcing as companies try to get smarter and leaner. We have seen where technology improvements have also made new hires unnecessary in many areas. But, Madam Speaker, this ready supply of cheap labour—and I am talking about cheap labour that comes at less than \$5 an hour in some cases—is where the real problem lies.

These are all factors, Madam Speaker, that result in work and employment opportunities moving away from our middle class Caymanians. And it further deepens the rift between the firms and corporations and the Caymanians. And we know that that is a recipe for disaster when there are two groups not trusting each other and not wanting to work together.

Madam Speaker, we just have to look in the newspaper at the advertisements and we will see a number of jobs that many years ago were considered entry level and did not require so many qualifications that are now asking for university degrees. And we wonder how this happened. And I am not crying down the fact that employers are now asking for higher level of education, in fact, I applaud that, but let's be reasonable. There is no doubt in my mind that in many instances these things are being used as a deterrent so that Caymanians do not apply for these opportunities because the salaries just do not match the requirements.

It is shocking, Madam Speaker, when I hear about these practices. And when you consider that some of the degrees from countries overseas do not even match up to the degrees that our young people are coming home with. It is deplorable.

Madam Speaker, as more and more firms find customers overseas and find ways to deliver their services from other jurisdictions the opportunities are going to be fewer and fewer for local Caymanians, and we have to face that reality and be prepared for it. Our Government policies must be directed at preserving our middle class. It is probably one of the most important things we can do to help this economy.

We must promote Caymanian entrepreneurship, and I am pleased to see that the Minister of Financial Services has actually already embarked on that journey by introducing a package of incentives for small businesses. We must invest in education and training. Madam Speaker, we need an education revolution in this country. We can no longer allow our young people to fall by the wayside and people to use the excuse that they are not ready for the workplace, they are unfit, they cannot perform. We have to take responsibility for our young people and ensure that they are prepared and ready to take their place in society.

The Government has to create policies that will seek to preserve the position of Caymanians in the workplace, thereby allowing the middle class to survive. Government policy must find ways to restore the balance between growth and prosperity and Caymanians in the workplace. We have to stop this vicious cycle, Madam Speaker, the one that is developing between employers and Caymanians where Caymanians are often angry at the businesses and the businesses feel hamstrung. The Government must intervene and resolve these issues with urgency.

Our Government is tasked with a multitude of responsibilities, Madam Speaker. The Government must provide infrastructure, healthcare, emergency services, registries, regulators and the list goes on; airports, docks, cruise facilities. The firms and corporations are not required to pay a huge portion of their revenue into the Government's coffers. But I think, Madam Speaker, we need to see a much larger commitment from a lot of these organisations now to show that they are going to become good corporate citizens, and that this is truly a partnership. Their long-term prosperity and ours are linked. There is no refusal of that fact. We have to work together. But we cannot allow this vicious cycle to keep perpetuating itself, Madam Speaker.

Government must encourage the creation of new industries as well. We must look to fill the gaps so that all capable Caymanians are employed in occupations that match their skillset and education. In creating new industries we will fill certain gaps that have now been left in our economy because we have seen a contraction. We have seen where economic activities have fallen off globally, and in order for this economy to be revived, Government must look to ways of being innovative. I know that the Fifth Elected Member for George Town said earlier that we cannot keep trying the same old things over and over again. We have to become creative. We have to get ourselves in a position where we are as we once were, leading the way. We cannot keep trying the same old formula.

Madam Speaker, this Motion calls on Government to use a portion of work permit or immigration revenue for training and education of Caymanians. We, the Government, on this side, willingly do this because we recognise our obligation to our people. Whenever an effort like this is made, Madam Speaker, I see the successes. I see the young Caymanians who have been given opportunities, Madam Speaker, and they are taking their places in societies, those who do get the opportunity, and they are proud of themselves. And let us not get caught up into saying that Caymanians do not want to work or Caymanians do not want a certain type of work, because I see the young people now working at the fast food restaurants. I see them going out of their way to show me when I pull up at the drive through, that they can func-

tion in the workplace. The politeness, the attention to detail, the smile—it's there.

We do have Caymanians who will do those jobs. So, I do not want to get caught up into thinking that our kids only . . . and I have heard this so many times before, how our young people only want certain jobs. The necessity, the need to feed your family, pay your bills, has driven a lot of Caymanians to reassess, reevaluate and they are willing to work. They just need the opportunities.

*[Inaudible interjection]*

**Mr. Alva H. Suckoo, Jr.:** Madam Speaker, the Member next to me is reminding me that I should not be eating at fast-food restaurants, but I call it research.

*[Laughter]*

**Mr. Alva H. Suckoo, Jr.:** Madam Speaker, this Government is keeping its word. We are making an effort to do what we said we would do for Caymanians in the workplace. But I have to question sometimes if that effort on the other side of the equation is real. And I want to see some real examples of employers going out of their way to work with this Government, to find the opportunities for our young people. I am tired of looking at that NWDA database and seeing the same employers, the same list of jobs. It is not growing. They are not using it. The Government has put it there as a tool for employers to use on a voluntary basis, but it seems as if it is just being brushed aside.

Madam Speaker, we are choosing a carrot approach but we still have the stick. This Government wants to embrace and support good corporate citizens. But we are still prepared to punish those who are not. The Immigration Law recently went through a number of amendments, Madam Speaker. It gave this Government much more power to punish those who are not good corporate citizens. But it is quite obvious that this Government wants to work with the marketplace. We do not want to abuse the power that we have been given. We want to work with the employers and we are making every effort we can to do this. But based on the number of constituents that show up in my office, I really have to ask if the employers are as committed to this as we are.

Madam Speaker, I will not go on for too much longer about this situation. I think everyone knows how I feel about the labour situation in these Islands. Some of my experience has been based on personal experience, which I will not go into detail about here, but if I have to at some later point, I will. What I hope to see is that employers will embrace what is being offered here. And that they will do their part in ensuring that our young people and our middle class get back to work and are able to become and remain productive members of society, able to feed their families, live happy successful lives. We are not asking for the

world; we are asking for our people to be given their fair opportunities as well.

With those few words, Madam Speaker, I will conclude by just asking all Members of this honourable House to support this Motion. I think it is an important step forward and I want to thank the Member for George Town for having the vision and the conviction to bring this forward. I look forward to seeing it implemented. Thank you, Madam Speaker.

**The Speaker:** I recognise the Third Elected Member for West Bay.

**Mr. Bernie A. Bush, Third Elected Member for West Bay:** Madam Speaker, I too, rise to support the Motion. I commend the Fifth Elected Member for George Town for bringing the Motion. This is something that I personally campaigned on from 2000. I felt that for too long too many Governments made it look as if work permits were a revenue earner. My only regret about this is that I see only the figure of 10 per cent. I wish it was 50 per cent to maybe 75 per cent. That would be better. But I, too, rise to commend the [Member] and you will get support from this side over as well. Thank you.

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

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

Madam Speaker, I, too, would like to lend my support to the Motion moved by the Fifth Elected Member for George Town and seconded by the Fourth Elected Member for Bodden Town.

Madam Speaker, I will agree with them both that the stick approach has not worked, because the stick is not a stick, it is a flexible little piece of garden hose and it keeps bending in favour of the employer. Members will remember my opposition to the changes to the TLEP [Term Limit Exception Permits] group, because my concern there was we simply were not going to have the resources, or the willingness, to enforce it. I believe there are already enough provisions in the law. If we choose to properly investigate some of these complaints and enforce what the law does in fact say, we would find that there a lot more Caymanians would have opportunities to enter the workforce.

Madam Speaker, one of the things that people like myself get dismissed about is that we are only talking about unqualified Caymanians and Caymanians who do not want to work. You know, Madam Speaker, prior to 1984, if somebody on a work permit here said to a Caymanian that Caymanians did not want to work, he got a knuckle sandwich. But the rest of us have allowed this thing to gain momentum, to fester, to gather, and we are even beginning to accept it as Caymanians, because that is all we ever hear.

Madam Speaker, I believe and have always said give a Caymanian equal opportunity, equal moti-

vation, equal remuneration, and he will outwork and outperform any other nationality in the world. But you cannot give him no motivation, token opportunity and half of the remuneration and expect him to work as hard as he possibly can.

Madam Speaker, I find in listening to Caymanians complaining, not only about not getting opportunities in the workplace, but about the way they are treated in the workplace. And again, we get the whole spectrum. I get this from the gardeners, the common labourers, the people who wish to get on-the-job training in the construction industry. Prior to 1984 I went on a summer vacation to work on a construction site and the carpenter allowed me to hold the piece of wood for him while he cut it on the first couple of opportunities, and then he might have even allowed me to measure the piece of wood, mark it with the square and eventually cut it and within a short period he could tell me that he wanted a piece of two by four, eight feet long, cut square and he knew he was going to get it. Now, they get no opportunity and they are told that they do not want to work because we do not apply any of the training or motivational skills.

I had breakfast with a professional Caymanian five days ago, talking about the opportunities in the financial industry here in Cayman, that she (and other Caymanians around her) is being denied because they bring in people from the middle of that country that the US Government calls a parking lot that have never seen a mutual fund in their lives. But they come here and the Caymanian out of our goodness to them, tells them everything they know. But the Caymanian has an extended family they have to look after. They may have a wife and children or they have parents so they cannot go to Sunset House on a Friday evening and drink until nine or ten at night with the managers and supervisors. But the non-Caymanian worker can.

So, they go and when a promotion comes up they get it because they are more liked by the supervisor who is also on a permit, and they are less threat to the supervisor who is on a permit so they do not get the opportunity to promote if he or she promotes one of his own.

I will agree entirely and have always said, Madam Speaker, that if this country believes that people who migrate to Cayman for economic opportunity on a work permit that the government issues to them is going to train a Caymanian to take their job forcing them to return to the inferior conditions from which they migrated, that is not human nature and is not going to happen.

You know, most of the Caymanians that I know, from talking to the seamen in the '30s, '40s and '50s, to even the Caymanians who now migrate for economic opportunities, they have one great life ambition, to return to Cayman. These people come here for economic opportunities and they never want to go back home. And we constantly amend our laws to allow them to stay and become permanent fixtures to

deprive, prevent Caymanians from having upward mobility or job opportunities in their own country. Why?

We know, as the mover of this Motion said, that that system has not worked. So, I am willing to support trying the carrot. But, Madam Speaker, when we offer them the carrot now, Ma'am, and they bite us on the finger, we do not want a stick, we want what my uncle and them called a piece of two by four scantling and we do not the pressure treated one because it is too heavy. We want the ordinary old white pine so that we can be lick him quick and it will hurt plenty.

*[Inaudible interjection]*

**Mr. D. Ezzard Miller:** Box him! Give it another word.

So, Madam Speaker, while I support the Government taking the opportunity to offer the carrot . . . and it is true that we have some good corporate citizens. That is a fact. The problem is, in my view, we have more bad than good. But that is just my view. But we do need to show some appreciation for the good ones and I think that this is a good approach.

Madam Speaker, we do not need to do any expensive manpower survey because we know exactly what positions we need to train Caymanians for. It is called a work permit. So, we can go to the Immigration Department any time and easily determine how many accountants we need in this country because they are on permits. We know exactly the amount we need.

We cannot train them all one year, Madam Speaker. We know that. But as long as the economy was growing large enough on an annual basis to accommodate all of the school leavers at some job level or another, both from high school and university, and accommodate the work permit holder, it was not a problem. In the last five, six, maybe ten years, that has not been the situation. But we do not want to go to a quota system because that is too restrictive on the private sector.

Madam Speaker, if we know that we have ten Caymanians qualifying as accountants this school year, and we know, based on the statistics produced by the Ministry of Finance, that, the economy is only going to grow by 1.5 per cent, it is highly unlikely that, unless we cancel some permits, those Caymanians accountants will find jobs. And, Madam Speaker, will some of those people be smarter, more capable, more assertive, more aggressive than others? Absolutely! My commitment to them is that they must get the opportunity and get their foot into the door. Then they have to compete.

But we simply tell our people that while my parents have mortgaged their house and everything else to help me get an accounting degree, and the bank payment is \$4,000 a month, we must compete with somebody from another country who is willing to come here and work for \$3,000 a month. And we must

take the job for \$2,500 so we can make sure we get it. In the meantime the parents are losing the house because they cannot make the payments.

I have said for many years, Madam Speaker, that (and I hope the Minister of Finance, who is an economist, does not criticise me for this statement) the only commodity that I know in a free market society based on capitalism, which is in high demand, short supply and has no value is qualified Caymanian labour. Because, Madam Speaker, I held one of those positions in the financial industry where they gave me a big title—"Senior Manager of Human Resources and Training". I could not hire the telephone operator. And one year I took the initiative. I went to the high school and spoke with the principal and said that I would like to get the eight top people for accounting based on last year's exam because they were likely to pass the O-Level GCE, or whatever the exam was. I invited them with the partners to have a lunch with them, hoping that the partners would encourage them to take up accounting and would be willing to develop a relationship with them to encourage and mentor them, and get them involved into the accounting field.

Madam Speaker, I was never so embarrassed in all of my life, because it was obvious from the body language, from the comments that none of them had any interest (and I am talking about real interest, now) in seeing any of these eight Caymanians qualify as accountants. I do not have any knowledge of any partner calling a single student after that lunch to give any encouragement to do accounting. And that is just one example.

We know of Caymanians who have 25, 30 years' experience in industry in Cayman. And under some magical thing, Immigration gives a permit to a non-Caymanian who has zero qualification, zero experience in the field, to replace a Caymanian who has a master's degree, 28 or 30 years of experience at management level. And within a week of the person getting the permit he fires the Caymanian and nothing happens I have written to immigration quoting the section of the law that I believe one of two things happened.

The last speaker, the Fourth Elected Member for Bodden Town said that the Government is prepared to enforce sanctions. Now, one of two things happens, Madam Speaker; either the applicant lied on his application about his qualification, and, therefore, should be subject to not only the permit being cancelled, but to the \$20,000 fine. Or the Immigration Department erred in giving the permit when the law clearly states that the person must be academically and professionally qualified or technically qualified with the skills to do the job that they have been given the permit to do.

That was three weeks ago, Arden?

The man is still working. I have not gotten any action by anyone. And we wonder why Caymanians are migrating?

Now, the only other concern I have is that the mover and seconder propose to give this thing to the NWDA. Madam Speaker, I have some real concerns, because while I believe that the Government has good intentions with the NWDA, I think we need to start over. I think that some of the things that the former Government intended in creating that agency have left it with such a negative view in the community and it does not matter what the present Government does to improve the services, it is not going to have any respect in the community. Certainly, I can guarantee you that they will have zero respect in the North Side constituency.

I used to get these messages, and still do, every month—go into the North Side Library to be available to North Siders and taking it and coming out to you [SOUNDS LIKE]. Madam Speaker, my office manager and I spent three weeks signing up people, announcing it in the church programmes and everything. We had 25 people at the library at the time that they said they were going to be there and nobody showed up. Nothing happened. Nobody got fired. I am not aware that anybody got disciplined. I got on the phone, in my usually calm, serene, begging way, and they agreed to come back the next day at my office to see these people. Of course, Madam Speaker, I had to go out that night and find those 25 people, because I did not get that response although we started working on it from ten o'clock in the morning until something to seven o'clock I think when they finally got to me. Anyway, we managed to get a few.

They came out there, Madam Speaker, spent an hour trying to get onto the portal from my office and they could not make the computer connection. Finally, they said that when they came back the next month they would send a technician as part of the team because they were convinced the problem was my office; that the level of service in my office was so poor we could not get through. Now I had no problem getting on Google and producing Google maps or anything else right in front of them. And, Madam Speaker, this was not a junior officer who came to my office. To the best of my recollection it was a top person supported by other people.

So, Madam Speaker, the point I am trying to make is that I think this is a good Motion. I think it is well intended, but I believe if it is going to work, we need to have persons that are really, truly committed to it working and not simply looking to maintain a silo.

Madam Speaker, I went to the NWDA a couple of weeks ago and asked for a list of people who could do common labour. I need some post holes dug to put up a fence. *No, no, no, no, no, you cannot do that.* I carried the letter you know, Madam Speaker. *This is what I am looking for. Give me ten people. I need somebody who is not afraid of cliff; not afraid of iron crow, and not afraid of jackhammer, et cetera.*

All they said was, *No, no, no, no. We cannot take the letter from you unless you have a job description attached to it.*

*Okay, no problem.* So I went home, typed up the job description and because we were in Legislative Assembly I did not get back there for about two to three weeks. When I went back, of course, it was not the same officer. *Oh no, no, Mr. Miller, you cannot do this. You cannot write a letter and job description attached and we give you somebody's name. You have to go online and fill out these 20 pages. You have to register this post.*

*I am not in the business of employing these kinds of people on a regular basis. I just want some people.* It could not be done.

I went home, tried to get on the computer. Granted, Madam Speaker, I was raised in North Side with lamp light and no electricity. But I do not have any problem getting emails to the LA staff or doing other stuff on my computer, but every time I tried to get on the applicant is already registered. So, it pops up but I had not registered, only to come here a couple of days later and be told by an officer that they had registered all Members of Parliament. But they did not tell us.

Madam Speaker, we really need to get an agency that is going to take this thing on with some enthusiasm and some seriousness.

One of the reasons why qualified Caymanian labour has such a low value . . . because the other thing that university Caymanian students come to me and complain about is that while they are in university and they are the top three or four in their class, all of the people who are getting lower marks than them are being headhunted by corporations all over the world. When they come to see them, *Well, I cannot work in the States because I do not have a Green Card. I am just here on a student visa.* When they come back here and go around to the various corporations and companies in the financial industry, they are treated worse than the robbers we heard about from the Sixth Elected Member for George Town on Friday, where the guy has 41 convictions and he gets community service.

Madam Speaker, one of the things that I believe that the Government has to add to this Motion, or at least to the process of implementing it, is that we have to accept what the Immigration Law says, and that is, that every single job created in the Cayman Islands belongs to a Caymanian first, and the only reason a Caymanian shall not be hired is because one cannot be found. Because, here is what happens: They go to these corporations and say they are looking for a job. But are told there are no vacancies. Now, they have 200 permits, but it is true they do not have any vacancies.

As I related here during the budget debate, a young Caymanian fellow (still do not know his name, met him at a supermarket) said, *Mr. Miller I want to*

*talk to you about something. I have an idea. I want to find out how it sounds. He suggested that all of these companies that have business staffing plans should be public documents. He is an accountant, he is looking for an accounting job, he should be able to go to an accounting firm and say, 'Let me see your business staffing plan.' Now, when he looks at that he can see that all of the positions are filled on the business staffing plan already. There are no vacancies but he can see that Tom Jones' (from Timbuktu) work permit expires in November. He can look at his professional qualifications and what other qualifications and experience he may have and compare and say, 'Well, I have a degree in accounting, he has one. I have my CPA, he has one. He has five years' experience, I only have two years' experience in accounting and only six months as a professional, so he is better than me. But when I look at it he only has Microsoft Word. I can go and get the whole sweep of Microsoft which will make me better than him. And I can come back in October and say 'I would like to apply for Tom Jones job from Timbuktu because I know it is becoming vacant at the end of this month. And I believe I can do the job.'*

Unless we combine that somehow with this carrot stick that we are offering . . . because Caymanians need to know when and where the jobs are becoming vacant; not only for first-timers but for people seeking to move up the career ladder. And I believe that it is an idea worth consideration.

Madam Speaker, I fully accept that there is certain information. Maybe the person's individual salary would not be necessary to put in this document. But, certainly, the range could be put there. And it would not be necessary to put other benefits like car, truck, speedboat and jet-ski and roller skates and hockey stick, and an educational opportunity for the children for them. Right? All of that would not need to be listed. But the Caymanian should have the opportunity to know when the position is becoming vacant.

Madam Speaker, I support the Motion. I fully accept and concur that it is another step in the right direction. And if we manage to get this amendment through an amendment to the Immigration Law to make these kinds of requirements, I will purport that it is the first amendment made to the 1972 [Caymanian] Protection Law that is designed to help Caymanians and not hurt Caymanians and help somebody else. And that is a great step for the Progressive Government to take because it is a reversal that is long overdue.

If you want, Madam Speaker, although time would not allow, I can start in 1972 and tell you every amendment that was made coming forward and who made it and why they made it. But, suffice to say, Madam Speaker, that all of them were not in the interest of Caymanians, including the first one made in 1976, when we allowed US citizens to get Caymanian status without giving up their citizenship. And we all

know who and what that was done for. Right? It involved turning back some planes and big yachts and stuff like that. But anyway, that is history.

So, Madam Speaker, suffice it to say, Madam Speaker, that I have been around since 1972 and I have followed every one of them. And this would be the first time, in my view, that we are making a change to what I still call the Caymanian Protection Law, which I believe could have a positive influence on Caymanians getting into the door and also getting promotional opportunities.

Madam Speaker, I can tell you from experience that even when Caymanians get inside they do not get the same training as the non-Caymanians. I have talked to people being articulated in the law firms and they tell me that. I know and have seen it in the accounting firms. The Caymanian does not get the same training on an audit file that the work permit holder gets. Something is wrong with the formula where it takes an academically, professionally qualified [person], who has gone overseas and done the stint and [gotten] experience, seven years to become manager and a non-Caymanian can do it in three. And if we look at the performance appraisals we would be hard pressed to find any difference on the annual appraisal in terms of performance, dedication, commitment or anything else. But for some reason, the person gets it four years earlier. And, Madam Speaker, I think we need to do that, because this sort of thing affects the wider society you know.

In 1974 (or, Arden, 1972?) we built a brand new court house, somewhere in the early '70s. We had probably a maximum of 10 to 15 lawyers and maybe only two law firms in town. Today we have, I do not know how many law firms. We have, I think over 500—

**Mr. V. Arden McLean, Member for East End:** Six hundred.

**Mr. D. Ezzard Miller:**—lawyers in this country.

**Mr. V. Arden McLean:** Not one needs a business licence.

**Mr. D. Ezzard Miller:** They are making millions—if you add it all up it would be billions—in profit annually, and we cannot afford a new courthouse.

All of them benefit from having that new courthouse, Madam Speaker, because when we built that one out there it was the pride of the Caribbean. But here we are now, we have been at least 15 years or more, 20 years at least, talking about the need for a new court house, but we cannot find a way to fund it when we have 600 lawyers, but we could find a way when we had 10 to build a wonderful courthouse.

Madam Speaker, I would hazard a guess that without the building of this building, the court house and the Glass House, the country would have been

hard pressed to have had the growth in the financial industry that we have enjoyed for the last umpteen years. But again, Madam Speaker, because we allow too many people to come in on this work permit business, move too rapidly to the top while *DENYING* Caymanians the opportunity to move to the top and become partners and equity partners and keep the wealth here, all of those billions are transient. And that is why we cannot build a new courthouse. They need it more than I need it, but they are not willing to commit to or to sacrifice any of their wealth. And the first thing they do when the bottom line starts to thither downwards is to look for cheaper labour.

We all know in the '70s and '80s the Canadian economy was in bad shape so we could get Canadian accountants relatively cheap. And then we went to the Filipinos because we could get them even cheaper in the '90s and 2000s. And then we had a decision by the Government of South Africa that put a lot of professionals out of work so we could get them much cheaper. So, even though the Caymanians were getting better qualifications while their parents were spending more money and the government was spending more money to educate these Caymanians, they could not get the job opportunities because we keep deflating the salary.

If you look at the newspaper today you will see that a qualified accountant . . . in some instances the posts are being advertised less today than it was in 1983 or '84, certainly less than in the '90s. Again, it is because we can get cheaper labour. In the meantime, Madam Speaker, because the Caymanians have had to invest in the infrastructure to allow that growth, our cost of living has gone up, but wages are always being maintained and deflated by the importation of cheap labour.

So, Madam Speaker, I believe that the time is now, and I hope the Government is not going to tie this up now in any long-term studies and come 2017 election we have not done anything. I am hoping that the mover—

*[Inaudible interjection]*

**Mr. D. Ezzard Miller:** Yes, the last one did it because they approved a similar motion. It was not quite as well done as this, Member for East End. That one was rather shallowly developed and poorly thought out and presented with 48 words only. Just mixed them up and re-saddled them and sent them back out. But this is a much better idea, and has a much greater opportunity to really effect what we are trying to do. So, Madam Speaker, I would hope that by the November sitting that any amendments, if any, that need to be made to the Immigration Law, are prepared and presented in Parliament and they can count on my vote, Madam Speaker.

Thank you very much.

**The Speaker:** I recognise the Honourable Deputy Governor.

**The Deputy Governor, Hon. Franz I. Manderson:** Madam Speaker, thank you very much.

Madam Speaker, I too, rise to support the Motion and thank the Member for bringing the Motion. I am well versed in the proposed accreditation system. It was created at a time when I was head of Immigration.

*[Inaudible interjection]*

**The Deputy Governor, Hon. Franz I. Manderson:** No, I am not going to say that.

*[Inaudible interjection]*

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

But the reason why we decided to go with the accreditation system was based on the fact that we at Immigration at the time (and I think that is still the case now), kept very detailed records on employees, but we did not keep a significant amount of records on employers. Madam Speaker, what we must always recognise is that employees do not take away jobs, employers give jobs. So, where our focus must be is on employers.

One of the cases that really focused our attention on this was that we found a case where an employer, a very small employer who had the need for four employees. But over a period of 9 to 12 months, they had employed a total of 18 non-Caymanians during that time. And all of those employees who were on work permits had stayed an average of two months. So, what we had was an employer who was basically a revolving door for work permits.

When we did the research it was determined that the employer had no pension or health for their employees, had a track record of treating their employees poorly, they were known by the employment services at the time as an unscrupulous employer because of the way in which their employees were treated, and it was obvious to us that we needed to do a better job of regulating the employees so that we do not continue to foster that type of behaviour. Everyone, Caymanian and non-Caymanians deserve to be treated fairly when they come here. So, we then looked at what we should do to ensure that we can regulate employers. And the mover of the Motion talked about the carrot and the stick, and we all very much agreed with that at the time and still do now.

We also found that unscrupulous employers, those persons who did not have pension and health for their employees, were able to significantly underbid employers who abided by all the rules, and they were complaining that they were unable to keep up with that type of behaviour. So, here they were—a good employer, pension and health, and Caymanians in their workforce—bidding for jobs (this was mainly in

the construction industry) but constantly getting underbid by unscrupulous employers. So we knew that we had to create a level playing field. So the accreditation system, which was proposed at the time, put in a number of tiers.

For example, a tier 1 employer would mean that they have complied with all of the statutory requirements that they are required to comply with—pension and health, they are registered with the NWDA, they advertise their jobs, and they have a minimum wage (if there is a minimum wage law in effect), the basic requirements that they are supposed to have. They would then be a tier 1 employer. But what it means then is that once an employer is accredited as a tier 1 employer, when they apply for a work permit the process and the efficiency is there because the board or the Immigration staff are not required to spend a lot of time trying to figure out whether this is a good [employer] or not—*do they have pension, do they have health, how they are treating their employees* would be determined already by their tier 1 status. And then employers would have the ability to move up the ladder, I think all the way to tier 3 or tier 4. And at that time if they got to the very top, then you—

*[Inaudible interjection]*

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

When they are at the top of the ladder (so to speak) they would be regarded as a top employer. For example, not only would they have complied with the statutory requirements, but they would be a good corporate citizen in every way in terms of contribution to the community—they gave back to the community, had Caymanians in their management, had fair pay practices for Caymanians and non-Caymanians, and had Caymanians at the very top in terms of equity sharing. They did everything right that we could ask of you, and more. That then would allow them to gain significant advantages in terms of the red card treatment by the Immigration Department. So, when their applications come in they would not be thrown into a box with the tier 1 employees; they would be put into a special category and turned around within a matter of days. Because, why would we spend time on work permits submitted by a company that we already know is doing everything correctly?

Madam Speaker, that was the genesis and the plan that we had in place for the accreditation system. And both the Chamber and other members of the private sector were in full support.

I think, Madam Speaker, that the ideas the mover of the Motion has in terms of having a committee to review it is appropriate. It has been many, many years since that was proposed and it is good now to look at it again to see how it can be improved on. But, Madam Speaker, I really believe that this can be the answer to so many of the problems that we have now

facing in relation to Immigration and the unemployment of our people. I can guarantee you that not many companies are going to want to be a tier 1 employer. They are going to want to move up the ladder, which means that they have to train Caymanians. They have to offer apprenticeship programmes. They have to be involved in our community to make Cayman a better place. They have to have Caymanians in their top tier, and they have to pay Caymanians properly. So, all of that encourages the employment of our people which is a huge issue at the moment.

Additionally, both the Immigration boards and the Immigration staff who are dealing with work permits can deal with work permits much more efficiently. Because, they will tell you now, Madam Speaker, the issue that takes the most time when they are considering a work permit is not the suitability of the employee. They have everything there in front of them. They know about their health, their character, everything; but they know very little about the employer. That will then be a thing of the past once the accreditation system is put in place.

So, not only are we going to have reduced unemployment, but we are going to have efficiency with the work permit system. But, Madam Speaker, just as important is that we are going to be able to provide an executive service to the employers who are doing it at the very best. So, employers who are at the very top will not have to compete with the employers that are at, for example, tier 1. They will then get an executive treatment. That means that more and more employers will want to reach that level. Again, that then sends great signals around the working world that Cayman is a place to do business because we are able to offer this type of services to our employers.

Madam Speaker, when we look at the situation that we are in now in terms of the numbers of work permits where we are at 20,000, this is not going to go away anytime soon. So, we need to ensure that we have the very best systems in place to ensure the timely processing of work permits so that employers can have some type of certainty in their applications. Employers will tell you now that they just want an answer quickly. If it is a no, they need to know it. If it is a yes, then definitely they want to know it. But certainly, they want an answer quickly. And, again, the accreditation system can assist in this regard because it improves the efficiency of the work permit process.

Madam Speaker, I want to thank the mover of the Motion for bringing this. It is timely. I certainly support it and I look forward to being in the LA when it is brought here to be passed, because it will certainly be a very happy moment for me and the team at Immigration who worked very hard to put this together. So, Madam Speaker, with those few words I thank you.

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

I recognise the Second Elected Member for George Town.

**Mr. Roy M. McTaggart, Second Elected Member for George Town:** Thank you, Madam Speaker, and good afternoon colleagues. I appreciate the opportunity to give my input into this important Private Member's Motion that is before this House today.

Madam Speaker, I have always said in my mind, sort of tongue in cheek, but in 1972 we created the Caymanian Protection Law and we have been fighting about employment ever since.

Madam Speaker, I am absolutely delighted to see this Motion before us this evening because I wholeheartedly support the sentiment and aims of this Motion. I recall in 2009 when the idea of this accreditation system was first mooted and introduced. As then leader of a major firm in the private sector I embraced the objectives of that accreditation system and I remember begging for a copy of what the accreditation system was looking like, simply because we wanted to understand it, to see how we measured up against it, and embracing it in every way that we could because we saw it as truly a game changer.

For more than 40 years we have introduced laws and regulations that have burdened the private sector in many ways and have not worked to achieve what they have. And for the first time we saw something that was truly out of the box that would at last give what I would call good corporate citizens and companies in this country some recognition for all of their efforts.

Madam Speaker, when we were able to get our hands on the proposal and the system was being proposed, we looked at all of the requirements. Madam Speaker, I can say for the firm which I formerly worked with, there was not a single one that we looked at that we could not measure up against and provide evidence that we complied. And there were so many other people and companies in the private sector who saw this, did the analysis and realised that here was a true and real opportunity for the good corporate citizens in this country to gain some recognition and a bit of a benefit from a scheme that was designed to do just that, and reward them for all of the efforts of years of training, years of scholarship, years of promoting Caymanians, to finally gain some public and other recognition for all of their efforts.

Madam Speaker, all these years, from 2000, I remember our firm was the first in the country to qualify and receive the "investor in people" designation. Moving up each evaluation every three years—from brass to bronz recognition, to the silver, to the gold, and finally, striving now to reach to the platinum designation in "investor in people".

Also for every year in which the "top employer awards" that was instituted by the Human Resources Association here in Cayman, the firm has been on that list every year since it has been implemented and tak-

ing place. Madam Speaker, I am not doing that to boast, but really to reinforce that there are a number, and many, many good employers in this country, who seek to embrace the community, embrace the idea of developing the country and its people, and who contribute in so many great ways that it is time for them to have some form of recognition for all of their efforts.

We all recognise that when Cayman prospers the individuals prosper. When this country is growing, employment is growing. When the economic activity of our country declines, employment will decline. And so, I view, really, one of the big challenges we face as a country, is getting that ship Cayman righted and growing once again, growing at a sufficient level that we can generate and create those great employment opportunities that we once had. That is a part of the equation, but not all.

Madam Speaker, very briefly, the second part of this Motion before us this evening calls for a portion of work permit fees to be applied to creating a fund for the development and upskilling of our Caymanian people. It is a very noble, very worthwhile and a very commendable thought and idea. It very much mirrors the Singapore model and, as the Fifth Elected Member for George Town said, in fact, it is a direct draw from their model and the way they operate.

I know that one of the things they do in Singapore is that, while they are very welcoming and embrace foreign investment, there is an expectation that you contribute to their economy, that you contribute to building their country. Anyone who is coming in and making foreign investment is not doing it out of gratuitousness. They are looking and expecting a return for their investment. They are looking to benefit. But all of these things do not work unless we all benefit. The country and its people must all benefit.

I recognise from a Government and a budgeting standpoint, taking 10 per cent of the work permit fees may present some challenges. But it is not the only way in which we can restructure this. What we need to do is step out of our boxes and come up with the right solution and find that money, because I truly believe that, as the Fifth Elected Member for George Town said, while it requires some money up front, at the end of the day if this is successful, the dividends it will reap for the benefit of this country will far outweigh the cost and the dollars that we use to implement and to invest in this programme. So, it is not completely one of purely a cost standpoint. I truly believe that there are benefits to be reaped, and that if we will make the investment we will manage this programme very effectively and efficiently and it will pay off for us in the end.

Madam Speaker, I know that the private sector and the people that I work with and deal with and correspond with are eager to see a system like this implemented. They are eager to move forward with it and to participate in it. So many leaders of firms in this country whom I know of, have personally told me they

want to be at the top of the line when it comes to registering for this accreditation scheme, because they want to demonstrate to this country that they are good corporate citizens, that they are here to see that the country and its people benefit and grow from their presence here in Cayman.

So, Madam Speaker, I too, am extremely happy to commend this Motion to all Members of this House, and look forward to the day when it can truly be implemented. I hope that we can do so in short order and get things moving in the right way, because I truly believe with all of my heart that this is something that is different, that takes a different road from what we have been accustomed to. And I think it has a far greater chance of success than the stick approach that we have adopted for 40 years.

Thank you, Madam Speaker.

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

I recognise the Honourable Minister responsible for Health.

**Hon. Osbourne V. Bodden, Minister of Health, Sports, Youth and Culture:** Thank you, Madam Speaker. I was roughing the microphone up a bit, like the Member for East End. I was learning from him.

*[Inaudible interjection]*

**Hon. Osbourne V. Bodden:** Madam Speaker, I rise to offer my support and some comments in relation to this very important Private Member's Motion brought by the Fifth Elected Member for George Town. I think he articulated his case extremely well in the presentation.

Madam Speaker, I do not quite know where to start because this Motion is important for so many reasons. I think we, as parliamentarians, live this more than most. When we moved away from the Caymanian Protection Board in name, and supposedly came up with the Immigration Board, at that time I think those who did that thought they were making a progressive step. But, in hindsight, Madam Speaker, I think the mere fact that the word "protection" was no longer used, we opened the doors for much of the abuse that we see taking place today.

Madam Speaker, I am standing here as someone who has lived a fairly full life and worked in many different areas. I've worked in the financial industry for 20 plus years, I've run my own business since 2001 and I have been elected for the second time now. So, I have seen quite a bit, and have heard all of the cries from all sides. But the biggest cry of all, Madam Speaker, is the cry of our people who are able but who cannot get work when there are people being imported on a daily basis to fill those positions, or are busy cementing themselves in those positions and

looking after their friends and making sure that the nest egg is not broken.

Madam Speaker, I do not want anyone listening to me to think that I am anti-foreigner. I run a small business, and right now I wish I could have 10 or 12 (whatever it is that we have) persons employed. I wish they were all Caymanian. The truth is that we have reached 50 per cent and I would really like to think that that number will grow. But we have had our drawbacks with our workforce when it comes to certain types of labour, menial labour, blue collar labour. And we all know those experiences. We all heard it and know of the reliability issues and the sometimes attitude, *I am Caymanian so do not say anything to me because I can go and get another job*. Well, Madam Speaker, those days are over because the other jobs are not freely available anymore.

This problem has not just started. It is not as if people have suddenly changed their attitude towards Caymanians. That is those who come here and seek to take advantage of. But when things were good and the gravy train was running, Caymanians could survive because those who wanted to hop, skip, and jump, could do it. And those who are lucky enough to be made redundant or dismissed could find another job because the jobs were plenty. Now we suddenly have an economy, Madam Speaker, that has come home to roost since 2008/09 when things started going south, and we are now facing chronic social issues.

Everyday every elected member here gets texts, calls, emails, gets contacted in person by someone looking for assistance in paying a water bill, paying a light bill, giving them something to eat, giving them some spending money, paying for their kids to do this or that. We live this life. And, Madam Speaker, I dare say it is getting a lot worse. Therefore, I do not think we can conduct business as usual anymore.

We, as a Government have to stand up. And we are elected by our people and we have to stand up for them. We have to be fair in our approach. We cannot be scaremongering anymore and sending signals that we are going to get rid of this one and that one and we are going to do this and that to you, because we all know that that is counterproductive since the worldwide economy is still very much influx and businesses have the ability to move and will move. But, at the same time, we cannot allow that big stick that they hold over our heads every time that we open our mouths to protect our own that, *We are going to run or do this or that*, and then we back off and get the cold feet, as it were, and nothing happens and we are busy doing everything and bending over backwards to accommodate businesses and to allow them to flourish and certainly reap the rewards while we look around and our own are really suffering.

Madam Speaker, it is scary because it is not just those who are in the workforce now, but it has reached the point where our young people in universi-

ty—I happen to have two who just landed in London this morning—are looking at Cayman and asking, *Is there really a future? Who is standing up for us? Is there really a future in our own country?* This has never happened before, Madam Speaker. Our graduates came back and were able to survive with the exception of a few doctors. I think it is safe to say that most Caymanians came back to their country and eeked out a different living. They were afforded an opportunity by those in the workforce who were willing to take a chance on them and give them that upward mobility without the glass ceilings and the ring fencing.

Madam Speaker, those who debated before, all made excellent contributions. We all hear the cries, we hear of the roadblocks. I do not need to go into any more examples because I think a lot has been given. But I get them because my wife still works in the financial industry and she sees it on a daily basis and she is frustrated. She says, Oz, *Something is wrong. What are you guys going to do about these Caymanians who are able, who have worked in the financial industry before, and they will not be allowed back in?* Sometimes they are not allowed back in by their own Caymanians who have reached the top, sad to say. But the roadblocks are being put for cheaper foreign labour, or if not cheaper, for friends of friends who have the networking going on where the Caymanians are not involved and they are simply not being able to get work.

I have good friends, Madam Speaker, whose jobs have been made redundant. These friends have worked for 20, 30 years in the financial industry, reliable, hardworking, capable people. And they have been out of work now for two years because no one will hire them. Now, Madam Speaker, it is a chance that more than likely these are not the type of individuals that can really afford to come and pump gas at a gas station or stock shelves, because they really have been used to a certain living. They are now living off of their savings, but everything is running out. They still have expenses. Yes, some of them are shifting gears and finding alternative employment. Some of them have said, *Well, the financial industry looks as though it is closed to me.* But why should this be, Madam Speaker, when we have a workforce that supposedly has business plans that have the ability to look and see who is coming up for renewal, what development there is in terms of that business plan, and who is going to fill those positions? They should be glad to get a Caymanian that they do not need to pay a work permit fee for, that they do not need to give a huge housing allowance and a huge car allowance to.

The Caymanian who comes with genuine good work ethics and ability who is already trained and does not need a whole heap of training, they should be glad to gobble these up. So, it befuddles me as to why there is this resistance to take these people on! Something is wrong, Madam Speaker.

This Motion seeks a different approach. It seeks the approach that that first started being worked on when we were elected the last time between 2005-09 by the Deputy Governor and his team, and they were looking at an accreditation system and awarding points to good corporate citizens who would do the right thing by the Immigration Board and take on their Caymanians where they are able and willing. Everybody needs reliable workers. Everybody needs honest workers. If your business is going to survive there are certain traits that an employee must have, and that is fair enough. But once you have deemed that employee fit and have given them a chance to prove themselves, Madam Speaker, there is no reason why . . . that Caymanian, as I said, is going to come at a cheaper price, because the work permit fee at the administrative level and higher is quite significant. So, for the life of me, I cannot figure out why a business would want to pay it.

I certainly do not want to be paying Immigration and dealing with Immigration more than I have to. Why would you want to do the significant housing allowance that is oftentimes offered and the whole package that is offered to attract someone here, when you have Caymanians? And I am speaking, Madam Speaker—not guessing—of examples that I know of, of Caymanians who still have to train the foreigner when he gets here who now cannot get work. There is something wrong and we have to put a stop to it, Madam Speaker, because these people are extremely fed up. They are our people. The young people away in university are our kids and therefore we cannot allow the stick that is over our head to break our head and kill our people.

We have to stand up and say, *Okay, here is a sensible, reasonable approach. Businesses, this is what the Government is saying to you: 'We are asking you to work with us for the betterment.'* Because when the social ills come, Madam Speaker, it is not going to just pick on me or you. It is picking on everybody. Everybody is going to suffer from it. And at the end of the day they are going to run in any event. They are going to run from a place that is chaotic, a place that is full of crime, a place where they are not safe in their own homes and businesses. So, Madam Speaker, it is better for them to take whatever it is that they have to draw back on at this stage and work with the Government in a progressive fashion to look after this community as a whole, look after the needs of the Caymanian people, the place where they make their money, where a lot of them have made fortunes, where they can leave here and go on world tours and go on fancy vacations and own homes all over the world. You do not see any Caymanians being able to do that with the exception of very few.

So, our economic model has been one that has been a great success story, yes. But it has also been one, in my opinion, that is oftentimes left the Caymanian behind. And I have stood here many

times, Madam Speaker, and said that, in my opinion, it is not good enough for the Caymanian to just be getting crumbs at the foot of the table. I think it is time that Caymanians sit at that table and dine in the proper fashion with the likes of all of the others that are enjoying it. So, Madam Speaker, I do not want to drag this out, because I want to make it clear that I am happy that this is on the table. And I hope it meets with real action. It is certainly better than the heavy stick approach, which runs the risk of scaring people, of getting the wrong results in a financial centre, in a tourist centre. We have to be sensible. We have always been sensible in this country; that is why we have grown to where we have. But these economic times call for a different model. It calls for a reasoned and sensible approach.

I also support the provision of taking 10 per cent of existing—and this has to be clear because people will say that we are increasing permit fees and that is not so. What the mover of the Motion, Councilor Connolly, has said, is that we are proposing to take 10 per cent of the existing work permit fee. So, if the fee is \$100 we are taking \$10 of that and putting aside to create a training fund for those who need retooling, reskilling, whatever the work will be.

Madam Speaker, I think anyone who means well in this country, who is a good corporate citizen will be happy to be accredited. Those who do not comply, then, of course, they will need a little stick, because it is going to be in their interest. They are going to have benefits, they are going to have points awarded to them, and they are going to be able to reap the benefits from that. When they come to get permits there will be certain exemptions, or whatever, once they have proven that they are doing the right thing by the Caymanian people.

But I think that any country must stand up for its own. And it is very, very important that we stand up for our own people. They are expecting no less of this Government, Madam Speaker. They elected us to office during very trying times, hard times, and a lot of them are very proud people, but they are having to humble themselves and come to ask us for handouts, when in truth and in fact, they would just like to make an honest living as they deserve to do in their own country.

So, Madam Speaker, with that short contribution today, I just want to say to the corporate community out there once more, please get on board with the Government with this one. This is going to make life better for all of us in this country. When the Caymanians are happy at home you are going to be happy with the Caymanians in their home. I thank you and trust that this Motion will see safe passage through this honourable House. Thank you, Madam Speaker.

**The Speaker:** I will now suspend for 15 minutes for an afternoon break.

**Proceedings suspended at 6:03 pm**

**Proceedings resumed at 6:50 pm**

**The Speaker:** Please be seated.

Proceedings are resumed.

Does any other Member wish to speak?

[pause] Does any other Member wish to speak?

I recognise the Honourable Minister responsible for Finance.

## **PRIVATE MEMBERS' MOTIONS**

### **Private Member's Motion No. 6 2014/2015— Immigration Law, Immigration Accreditation System**

*[Continuation of debate thereon]*

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

Madam Speaker, I rise to offer my support to the Motion brought by the Fifth Elected Member for the district of George Town.

This Motion seeks to address a major area of concern; that is, improving the employability of Caymanians. The reality of today's economy is that it requires appropriately skilled and educated workers. And any Government of these Islands, Madam Speaker, has a clear and strong mandate to do whatever is possible to empower, enable, promote and protect the interest of Caymanians. Caymanians have a legitimate expectation, Madam Speaker, that any Government will provide its people with the opportunity to provide for themselves and their families, and in so doing, Madam Speaker, to maintain their dignity as respectable citizens of this country.

Over the last four decades the Cayman Islands has transformed itself from a meagre subsistence-type economy into a vibrant, globally competitive service-based economy which has allowed many of our people to earn a decent living, to own their homes, create and own their own businesses, educate themselves and their children, and, in general, to enjoy a higher standard of living than their forefathers did. Despite these successes, Madam Speaker, there have been many Caymanians who have been left behind, and they ask a question that is often heard: *Who are we developing for?*

Madam Speaker, Caymanians must be given the opportunity to become active participants in our economic success and, I will argue, Madam Speaker, should have the first priority when it comes to employment opportunities in these Islands, if they are qualified for the job.

In the 2013 Labour Force Survey Report, the Economic and Statistics Office reported that the labour force of the Cayman Islands consisted of some 38,483 persons, of which some 50.1 per cent (or

19,317 persons) were Caymanian. And 49.9 per cent (or 19,165 persons) were non-Caymanians. Amongst the Caymanian portion of the workforce some 1,807 persons were reported as being unemployed.

Truthfully, Madam Speaker, there is no quick and easy fix to improving the employment situation for Caymanians. It requires a concerted effort on the part of the Government, employers and the Caymanians themselves. It is the responsibility of the Government to remove as many obstacles as possible and create a positive environment which encourages our people to obtain the skills required by the employer. In addition, the Government must hold employers accountable for adherence to strict standards of creating a "Caymanian first" workforce, rewarding those employers who have demonstrated compliance in this area and reprimanding noncompliant employers.

Nevertheless, individuals need to step up and take responsibility for their own personal development and actively seek to acquire the level of education and skills necessary to keep themselves employable. There are many job opportunities, Madam Speaker, available in Cayman. So, we have to make sure that Caymanians are prepared to take advantage of those job opportunities.

Madam Speaker, because of the importation of labour, government derives significant amounts of revenue from work permit fees. It is a major revenue source for government. With respect to the 2014-15 Budget, we have forecasted the receipt of some [C\$]73.5 million from the various categories of work permit fees. However, Madam Speaker, over the long term we cannot grow overly reliant on this revenue stream. We must work to find a balance where these fees are used to train and upskill Caymanians to take on positions held by foreigners. And, Madam Speaker, in this day and age every little word is picked upon. And words that are used innocently are taken out of context and used disproportionately for whatever reason. So, Madam Speaker, in this context the word "foreigner" simply means non-Caymanian.

From a financial perspective, Madam Speaker, 10 per cent of work permit fees would equate to approximately \$7.35 million, which is a significant amount by any standards. In establishing a segregated fund we have to ensure that these funds are managed prudently and not seek to fund activities and programmes which would simply increase government expenditure in an unintended manner, creating even further unintended consequences.

Madam Speaker, the concept of linking financial assistance to requirements for further education or training fits clearly within the Government's policy objectives. The Needs Assessment Unit of the Department of Children and Family Services has reported that during the 2013-14 fiscal year, approximately C\$9.9 million was provided in direct financial assistance to some 2,493 families. Madam Speaker, for persons who are currently dependent on this type of

assistance, anything that we can do as a responsible Government to help them acquire skills necessary to obtain a job, or to advance to a higher paying job, will be money well spent. Therefore, Madam Speaker, the acceptance of this Motion will begin a process where the Government will begin to consider the affordability of the Motion as brought by the Fifth Elected Member for George Town.

Thank you, Madam Speaker.

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

I recognise the Honourable Minister of Education.

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

I rise to wholeheartedly support this Motion which was brought by the Fifth Elected Member for George Town. As the Member stated in his closing remarks on this Motion, this was something that the Independent Members of Government campaigned very heavily on, and it is actually reflected in the National Priorities Plan 2013, the introduction and the implementation of the Immigration Accreditation System. So, Madam Speaker, as I said privately to the Member I will say publicly, I absolutely think that this is not only necessary but timely, given that all the Government is attempting to do with respect to investing in our human capital development, our employment initiatives and the attempt to bring down the incidence of unemployment amongst our people.

Madam Speaker, what the Motion calls for, would help to provide meaningful opportunities for training and promotions of Caymanians in the workplace, and it recognises and rewards employers who are "good corporate citizens" that do their part.

Madam Speaker, no matter how many resources the Government attempts to put towards policing the system, there are many who would argue that not enough is done with respect to the enforcement of our laws. This programme would help to create a self-policing regime. Madam Speaker, it puts the responsibility on the employer to prove compliance with the laws in order to be given the higher accreditation and thus to be given the higher preference (so to speak) that goes along with being considered a higher tier accredited company. Madam Speaker, it shifts the burden of the issue of enforcement and compliance to the employer. Therefore, we would expect that the increase level of compliance would also be increased.

Now, Madam Speaker, I do not want it to be assumed that the Government does not still have a responsibility with respect to enforcing the laws we as legislators make. That is why we have the various civil service departments, the various government depart-

ments, and we expect that those agencies would carry out their mandates with respect to enforcing the laws.

Much has been said about the carrot and the stick approach, Madam Speaker. I think it is important for us to recognise, as was alluded to by the Fourth Elected Member for Bodden Town, the issue of employment and labour relations in this regard. We have a very interesting system. Although I have in my title Ministry of Employment, the aspect with respect to regulating the gainful occupation of non-Caymanians falls within the Immigration Law, administered by the Immigration Department. And so, this accreditation system, Madam Speaker, would help to create the synergies, would help to create the culture of compliance which this Government is trying to achieve by putting the various mechanisms in place.

Madam Speaker, I am happy to say that as a result of this Government taking office last year, we have seen some significant improvements with respect to the co-operation and the workings of the Department of Labour and Pensions and the Immigration Department and the National Workforce Development Agency. There have been mechanisms that have been put in place that are still being tested, still being tweaked, but we have come a long way, Madam Speaker, to the right hand knowing what the left hand is doing. But this system will help to move us even further, because it no longer just creates the government agencies chasing companies for compliance. Companies themselves would be clamouring to show that they are in compliance in order to get the higher accredited scores and be given the rewards that come as a result.

The Fifth Elected Member for George Town talked briefly about proof of compliance to the National Pensions Law, compliance with the Labour Law, in-house training programmes, which this accreditation system calls for; and employee and external scholarships for Caymanians. Madam Speaker, as the Minister responsible for administering the scholarship regime, which is something that the Government invests very heavily in (over \$10 million), if you consider the remnants of the Nation Building Scholarship fund, approximately \$13 million of this Government's money is spent towards scholarships every year. And, Madam Speaker, we still have more applicants who qualify than we can actually fund.

Madam Speaker, the responsibility of companies to step forward and give scholarships . . . and we know we have many good corporate citizens in that respect, and I want to recognise publicly those companies that do what they say they do in their business plan and that they offer scholarships. Madam Speaker, there are a large number of companies who are actually required to give external scholarships but there is no mechanism in place which really actually tracks to see how many of those companies actually deliver on what they are expected to do.

Madam Speaker, this system will help those companies to actually be in compliance with what they are required to do and get recognition for that through the actual accreditation. So, it is a *win-win* on many fronts. We are actually able to supplement the pool of funds so that more of our students, more of our people can get the scholarships which the government simply cannot afford to fund, albeit we have probably one of the most generous scholarship programmes in the world. Companies would then be able to participate and get recognition for that as well.

Madam Speaker, another very important aspect of this accreditation system and the criteria in order to be considered an accredited company, is participation in local educational programmes. And, Madam Speaker, you have heard me speak on a number of occasions in this House and also in the media about creating the public/private partnerships in education. And, Madam Speaker, it is absolutely vital that this country accepts and embraces the need to have private sector participation helping to provide the necessary resources from a financial, from a human capital, from supporting the actual development of certain programmes. Simply put, Madam Speaker, the Government alone cannot provide all things to all students to all schools.

We have, as I said, a very large budget. But, Madam Speaker, we have more needs than we have resources. And the more that we continue to dedicate to education, which, Madam Speaker, as the Minister of Finance stated several days ago, education is one of the key priorities of this Government and we will continue to invest in it. The fact is there are still more needs than we can provide without the participation of the community. And so, this system will help to create the impetus for other companies that may not be actively participating.

We do have some very notable organisations, both the private sector, as well as non-governmental organisations, such as CISPA, supporting our numeracy programme. We have "Life Literacy for Everyone" (LIFE) supporting our literacy programme. And there are a number of other organisations; Rotary with regard to literacy, and a number of them that I am not able to list off in totality today. But, Madam Speaker, we have a whole other cadre of businesses that could and should be participating. And this programme, Madam Speaker, will help to provide the impetus that many of them will need in order to get actively involved.

Madam Speaker, it also deals with employment practices. As I said, given that our employment regime straddles a number of ministries and a number of laws, it is important that we have a system that actually causes companies to look very closely at what is considered fair and equitable pay practices.

Madam Speaker, as I said earlier today in my response to the minimum wage question, the Government is also looking at ways to legislate that

through the work of the Minimum Wage Advisory Committee, and we look forward to getting the report. But, Madam Speaker, this will also act as an impetus for those persons to decide what should be paid above and beyond what is determined to be the minimum wage. And again, Madam Speaker, those types of considerations would be given favourable treatment under the Immigration accreditation system. It looks at companies looking to promote Caymanians as employees, number of Caymanians in management, health and safety practices, and other employment related concerns. It is more effective if we have companies themselves coming to the table and actually putting forward these suggestions which this system did when it was initially developed and which we expect will continue because a number of companies were ready to hit "go" on implementing this. However, it never did come to fruition.

As I said, Madam Speaker, this is not only an important motion, but it is timely and necessary because this Government has a number of initiatives which we have started, which we are promoting, which we are hoping to continue to implement, but the mere fact is that we all know that for various reasons we have to live within the means (so to speak) that we are given, at least for the next several years, and therefore, the participation of private sector in order to make this a reality is absolutely vital.

Madam Speaker, I also endorse wholeheartedly the second resolution of this Motion, which is the creation of a segregated training fund that 10 per cent work permit fees would be paid into. I would like to briefly discuss some of the training initiatives and development initiatives which have been taken by this Government primarily through the work of the National Workforce Development Agency.

Madam Speaker, over the past year the Ministry has explored a range of options and opportunities to address the needs of training and development of Caymanians seeking to access and progress in the labour market. Now, Madam Speaker, while some of these initiatives that have been developed are built on low cost models, again, primarily with the understanding that we have to be financially sustainable and live within our means, other initiatives that the Government would like to roll out will require a source of funding. As it stands at this time, currently, the NWDA is not a revenue-generating entity. And so it is imperative that as the agency seeks to develop its training and development initiatives, there is some mechanism put in place to facilitate the funding needed to sustain and enhance those initiatives.

Madam Speaker, through the development and training unit of the NWDA, there are three distinct areas of training which are being offered currently. There is soft skills training, there is the technical skills training and the employment search skills. And, Madam Speaker, these workshops, these training programmes, are delivered primarily through a collabora-

tive partnership between the NWDA and private sector volunteers.

Madam Speaker, the volunteer basis of the model allows us, on the one hand, access to professionals and specialists in the private and public sector. It promotes sustainability from a purely financial perspective given that there are minimal costs associated with delivering the training currently. It also helps to ensure that what is delivered is relevant as the workshops are developed and designed in partnership with employers currently. However, basing a training and development programme primarily on volunteers has its drawbacks, namely, it is subject to availability, it is subject to the commitment of the volunteers who sign up to deliver these programmes. And I am made to understand that, whereas we have a number of committed volunteers who, on a weekly basis, will participate and will deliver these training programmes through the NWDA, there have been instances where training sessions have been set up, participants registered with NWDA have shown up and the volunteer instructors have not. So, that creates a difficulty in trying to have sustained training programme that is really at the mercy (so to speak) of volunteers.

Things happen, people may have other priorities. But at the same time I do want to thank publicly all of those companies, all of those individuals who have volunteered their time thus far.

Madam Speaker, another initiative which I spoke about Friday, dealt with the national internship programme. Again, another programme developed as a pilot we are looking to roll out. And we took a low cost model as well. Because, the fact is we want to get our young people, we want to get our students and, we want to get our persons who are looking for the technical and vocational experience, in the door. So, we ask companies to take these individuals on for either a three to six month period, and as it stands currently, in an unpaid position. But, Madam Speaker, we know that if we want to extend and expand this programme to offer a more robust programme, there will be financial implications for both the participants (with respect to being able to participate and still live), and possibly the companies or the Government themselves. And so this fund would be actually very beneficial because that could help to offset the cost of the stipends paid to these interns and, therefore, we are able to roll out the internship in a more meaningful way.

Madam Speaker, another initiative the Government is very keen to get started, but I have been told quite frankly that we have no money to do so this year, is the National Apprenticeship Programme. And, Madam Speaker, you would have heard mention of this programme on a number of instances today. But just to let you know that the Ministry has already begun work at developing a framework for this programme. We engaged in discussions with the Chamber of Commerce earlier this year and other private

sector partners to ensure that the programme is developed in collaboration with the private sector, who we would be relying on to actually participate and deliver the vocational training aspect or the experiential aspect.

Now, Madam Speaker, I am still waiting to hear from the Chamber of Commerce with their response and proposal, which they said they would do. I am really hoping that that response will come shortly because we are ready to move on that. In the meantime, we are continuing to have discussions with other industry representatives in order to try to achieve a targeted market-driven training opportunities for Caymanians who are engaged in studies both locally as well as abroad who will be returning to Cayman shortly and who are interested in gaining the requisite technical skills and practical experience in order to access the labour market.

Madam Speaker, during the 2013-14 budget year, the NWDA training and development unit engaged in an analysis of the Immigration work permit data with a view to identifying the technical and vocational employment opportunities within the labour market as measured by the number of work permits. This data will be used in this current budget year to continue to engage the targeted private sector partners in the development of a community based technical and vocational programme that matches the needs of the labour market.

The programme will be the model used for the National Apprenticeship Programme. As I said, initial dialogue has begun with the Chamber of Commerce, and we are also continuing to have dialogue with other associations, such as, the Cayman Contractors Association in order to take this programme forward with respect to the construction industry. And, Madam Speaker, this has already been successfully launched through that of the School of Hospitality Studies. And we look to do something similar for other key industries in our community.

The community based model aims to ensure that all stakeholders commit to doing their part to preserve the economic and social health of our country. Again, this community based model (as opposed to a purpose-built technical or vocational school which we often hear the cries for) actually utilises existing businesses and their physical structures, which, in itself, facilitates fiscal responsibility. The community based model facilitates a flexible programme that can respond to the needs of the labour market as and when they exist, and as and when they change.

In other words, when the market reaches a saturation point, with respect to any particular programme, that programme can shut down until such time as there are needs for those skills again. And in order to ensure that the programme developed meets quality assurance standards, a number of accrediting bodies, both regionally and in North America, will be

engaged to provide ample options for accreditation of the local training programmes.

Madam Speaker, the Ministry will be working with various industry associations and companies to help determine the appropriate technical, and other, courses, and accrediting options which are acceptable and recognised by the respective industries. Madam Speaker, this is something we recognise as key. It is critical that we develop programmes that the market, the private and public sectors will accept. There is no point investing money on training and development of our people if those qualifications are not recognised locally in the market. And so, with respect to these technical, vocational, professional training and development opportunities, this Government is very keen to engage the private sector to ensure that they will buy the product once the product has been delivered satisfactorily.

So, Madam Speaker, in support of the community based model, in the delivery of the technical and vocational programmes, the Ministry of Education, Employment and Gender Affairs will be establishing standards and quality assurance frameworks for training institutions, which includes the development of a mechanism to register local training institutions through the education council. This facilitates opportunities for businesses to create training centres within their business, while ensuring that quality control standards are in place. And, Madam Speaker, this accreditation system speaks very heavily to those companies being rewarded for investing in training and development of our people. This very much ties in with the goal and strategy of this Government with respect to facilitating the environment for properly accredited training programmes.

Madam Speaker, the Government has set forth an agenda that seeks to ensure that educational opportunities meet the needs of the market. In doing so, the Ministry has engaged in discussion with the Board of Governors of UCCI. I am made to understand that the Board of Governors, UCCI, has established a subcommittee that is looking at opportunities whereby the UCCI can assist in offering technical and vocational programmes that meet the needs of the labour market. Again, the outcome of this review will help to ensure that the National Apprenticeship Programme is established, and it will be supported by formal educational opportunities at UCCI that are actually accepted by the business community.

Under this community base model, Madam Speaker, it is envisaged that the former educational component of the programme will be supported through scholarships awarded to students based on established criteria. Once the students are engaged in the internship or placement component of the apprenticeship programme, they will be placed with a local business. It is expected that the local businesses will provide a stipend to the student for the duration of the programme. And again, Madam Speaker, now with

the advent of this fund, which this Motion calls for, the cost for the scholarship aspect of the programme can be offset. This model allows for the sharing of the financial responsibility and ultimately produces suitably qualified Caymanians.

Madam Speaker, the investment made by employers will be returned to them through the pool of qualified local talent available. Again, Madam Speaker, this is recognised as a part of the Immigration accreditation system.

Madam Speaker, moving to fund individual students, as opposed to funding programmes, allows for the Government have a better mechanism of bonding students. It allows the Government the ability to track students' progress through the respective programmes and into the employment and labour market. As was mentioned earlier by the Fifth Elected Member for George Town, the Government is doing all that we can to try to create an environment where our people are given real meaningful opportunities for training and development. But it is now up to individuals to take advantage of those opportunities and to take them seriously. And we expect that people will actually fulfill their obligation with respect to participating and completing. In the instances where they do not, this mechanism will allow us to be able to determine who has not lived up to that obligation, and, therefore, there could be a formal system of bonding put in place.

Madam Speaker, this is an example of how the funds of the 10 per cent contribution could be utilised to support the retooling and skills development of our people, a concrete example.

Madam Speaker, I am very much looking forward to the Government accepting and acting on this Motion so that we are actually able to create a pool of funds that do not currently exist, and we can actually move forward on some of these initiatives that we have been talking about since we took Office.

Madam Speaker, utilising the portion of this fund as a workforce income supplement will also provide unemployed persons with an incentive to engage in related activities to increasing employability which again will facilitate their ability to get and retain meaningful employment. Developing this formal structure that ties financial support back to measurable activities ensures that persons who are receiving funds are engaged in activities designed to change their current employment status. As we already heard, you cannot do what you have always done and expect to get different results. If we continue to give the man the fish without teaching him how to hold a line and fending for himself, we will then continue to create and promote a culture of dependency, as opposed to a culture of empowerment and self-sufficiency.

So, Madam Speaker, this incentive provides a vehicle for reinforcing healthy, positive and constructive behaviours amongst some of the persons who are

unemployed and currently receiving subsistence from Children and Family Services.

Now, Madam Speaker, I do not want it to be misunderstood or misconstrued or misquoted. Let me speak very clearly: We know that there are a number of persons who require assistance from Children and Family Services. Those persons should absolutely have access to, and in many cases their assistance should actually be increased. But because the system that we have now does not promote to the extent that it could or should this "welfare-to-work" ethos, the person who needs the assistance cannot get it and persons who are getting assistance really should not be getting it. So, Madam Speaker, we need to create an environment where we assist those persons who are able-bodied, but given the real opportunities they should be in employment. And by creating a mechanism that incentivises companies to actually actively seek persons for employment, persons who could be upskilled and trained, given the opportunity, those persons would then be able to have and make a meaningful contribution.

Madam Speaker, many people (I see it in my constituency office on a weekly basis) have come to me in tears almost, with a pained expression, having to go to Children and Family Services because either what they are making is not making ends meet or they are not gainfully employed for the amount of time during the week that they should be. They are underemployed, or they are outright unemployed. So, they have to do something that they never thought they would have to do.

Madam Speaker, we know that in many instances these individuals want to work. They want to be given the opportunities. Putting this system in place, will actively encourage companies to do what is required under the Immigration Law—which is to take best efforts to find suitably qualified Caymanians, and in the instances where they are not qualified, to create real opportunities for people to get qualified. Hopefully we will see shrinkage of that population of persons receiving assistance.

Madam Speaker, in order to support this move towards the welfare-to-work programme, the NWDA has developed a structured in-taking assessment process which includes the identification of barriers to employment and the appraisal of skills, interest and abilities of the clients who register. Through this process, job seekers are connected to training and development activities and mechanisms of support, which are designed to facilitate the job seeker in overcoming any barriers to employment. Once these barriers have been identified, job seekers are engaged in a process of creating a professional development plan.

This is something new that has just been introduced by this Government, in that job seekers no longer can just register. If you register and you are seeking assistance from the NWDA, you are now ob-

ligated to create a tailor-made professional development plan based on the assessment of your skills and interest. And this plan documents specific details of the activities that the job seeker has committed to engaging in as they address these barriers to gaining meaningful employment. Also, they must engage in the work necessary to meet the needs of the current labour market. These include training opportunities, volunteer work, community service, therapeutic services, mental health treatment, substance abuse treatment, and the like.

So, Madam Speaker, job seeking clients are being held accountable to their own professional development plan. That is something which is important to stress because not only is the Government saying that we are wanting to hold employers accountable, which this accreditation system will help to do, and employers will willingly do so in order to reap the benefits, but we are also making sure that we put mechanisms in place to hold job seekers accountable as well.

Madam Speaker, I am happy to say that the professional development interface has been created. And this interface which actually works with several different government agencies—again, pulling all of these resources and trying to operate as one government when tackling the issue of unemployment—will go a long way to help us facilitate an online case management of clients who are seeking services from multiple government agencies. So, if an NWDA job seeking client is also accessing the service of another government agency, this interface allows the various agencies to provide feedback on the job seeker's progress and the various activities they have committed to engage in, to ensure that they work and do what is necessary to get them one step closer to entering and performing in the job market.

Madam Speaker, this mechanism, as designed and developed by the National Workforce Development Agency, can be used to provide the structure needed to ensure that the proposed workforce income supplement is successful. Utilising this fund will also incentivise businesses that may wish to hire and train Caymanians, especially small or growing businesses that require a certain level of technical expertise at the onset. Those businesses may then be incentivised to take on and train Caymanians as a part of their growing business at a low cost which is commercially viable and sustainable.

Madam Speaker, it provides an opportunity that may not currently exist because those small businesses may not necessarily be able to afford to hire a trainee. But either through the income supplement provided by this fund, or the scholarship or sponsorship of the fund, these businesses will be more inclined to put their hand up to participate in the internship and apprenticeship programmes which the Government is hoping to roll out.

Madam Speaker, we are experiencing something in this country that I do not think we have really experienced in our history. We have a number of graduates who are coming back to Cayman, or graduating from institutions in Cayman, and are not getting hired. They are just not getting hired, but they are not getting hired in a timely manner. We have heard stories of people; one, two, sometimes three years out and still not able to get employment. And what is being held over them, initially it was—*You do not have the education*. So, we went off to get educated or we went to school to get educated, or we participated in the training opportunities to get skilled. Now what is being used, Madam Speaker, is—*You do not have the experience*.

Madam Speaker, one of the programmes Government is considering, but, again, was not in a position to fund, is a similar graduate development programme, a targeted aspect of the national apprenticeship scheme. We know every year we have over 100 graduates from university, either locally or returning from overseas. One of the programmes that this fund and the Immigration accreditation scheme would support, would be that public and private sector could take on a number of these graduates for six months, twelve months, eighteen months, however long the industry requires for them to become technically competent.

It allows these graduates to get some practical experience in their field of study, as well as it allows them to participate in additional formal training to be agreed with the NWDA and the perspective employers. And, Madam Speaker, it also helps to develop the relationships and the networking opportunities that are so vital for our students to have, because we have a number of students who now not only go on to do their first degree, but they go on to do Masters and PhDs and may not necessarily have the practical real-life experience because of their quest in pursuit of education, having been told that they need to get the education in order to access the jobs.

So, Madam Speaker, this programme with the support that this training fund would offer, would help to fill a serious gap and a void that exists right now for a number of our returning graduates who are not finding the opportunities in the labour market because of the lack-of-experience barrier to gaining employment.

Madam Speaker, the Fourth Elected Member for Bodden Town made a comment with respect to whether or not Immigration is the appropriate place to deal with labour and labour relations in this regard. Madam Speaker, this is a debate in and of itself. The fact is that the Immigration Law is where we look to, from the employment aspect, as it relates to the management of foreign labour. And, Madam Speaker, I think it is important for the listening public (and Members in the Chamber as well, possibly) to get an understanding of what the legislative framework is right

now as it relates to employment and that of the work permit.

Madam Speaker, I recall being asked on a local talk show a couple of months ago about what was the employment policy governing the hiring of Caymanians. I stated very clearly that that policy was enshrined in the Immigration Law. However, I do not believe that the talk show host actually understood that point. But I would reiterate for the listening public as well.

If you look at section 4 of the Immigration Regulations, (2013 Revision), it clearly states that a **“prospective employer shall use his best endeavours to ascertain whether or not there is a Caymanian, or a person legally and ordinarily resident in the Islands, ready, willing and able to undertake the job in question before making an application for the grant or renewal of a work permit in respect of a worker or prospective worker whose gainful occupation in the job is sought to be authorised by the work permit.”**

In other words, Madam Speaker, the employment policy that the Government has . . . as I said, you can argue it is in the “wrong law” but this is the policy. An employer must make **“best endeavours to ascertain whether or not there is a Caymanian”** and other category of worker who is ready, willing and able to undertake the job in question before making an application.

Madam Speaker, Regulation 4(3), calls for the purpose of fulfilling that first regulation—**“the employer or prospective employer shall comply with section 44(2)(b)”** of the Immigration Law.

Madam Speaker, turning to 44(2)(b), it simply states: **“(2) In relation to the prospective employer that- (b) he has, unless he has been exempted by the Governor or by the Board, sought, by advertising in at least two issues of the two consecutive weeks in a local newspaper, to ascertain the availability of any one or more of the following in the order in which they are listed-”.**

So, Madam Speaker, that regulation simply calls for advertising in two issues in two consecutive weeks. And, Madam Speaker, I have to say that, in my estimation, that requirement is woefully deficient. Madam Speaker, we have an Immigration Department, as we heard from the Deputy Governor, which has lots of information on employees. They have lots of information with respect to persons who are on work permits. So, Madam Speaker, I submit here today that we need to have a system where the Immigration Department publishes on an open and transparent database when each permit has been granted, the type of job associated with the permit and when the permit is up for renewal.

Now, Madam Speaker, this information can be published on a no-name basis, so I am not here advocating for peoples’ personal information. But I am advocating for having a transparent database so that

people will know exactly what jobs are coming available and when.

The purpose of the investment in the National Workforce Development Agency database is to provide a link, which has been accomplished in one year, which many people thought was not going to happen. I know that there are still technical issues being worked on as we speak. But, Madam Speaker, the NWDA database provides that information to the Immigration Department about which other persons legally and ordinarily resident are registered who are presenting themselves as being available to do certain jobs. But we need to go one step further. We need to know when these jobs are available, when they are coming up, because, Madam Speaker, if we look again at the Immigration Law, under section 5 of the regulations: **“Each work permit shall have an endorsement or be accompanied by a notice to the work permit holder in the following terms- You are hereby informed that, under the existing laws and regulations, the granting of this work permit in no way confers any entitlement to, or preference in connection with, the granting of any application for the renewal hereof, or of any application for the right to be Caymanian.”**

So, Madam Speaker, it is clearly enshrined in our laws, and clearly enshrined on the work permit itself, that the granting of the work permit does not in and of itself give you any entitlement or preference in connection with the granting of the application for renewal hereof.

It is important, again, for students that are coming back, students who are trying to access the market, professionals that have been made redundant or those that would be looking to change positions even, for career progression and career advancement that we have a system which captures when these jobs are actually coming to market. The reliance on two consecutive weeks in the newspaper is not sufficient notice for people to plan to access, to even develop the skills that may be needed. These ads are supposed to outline what the skills are to do those jobs. It is about helping our people plan and prepare for the right type of skill set and the right skills development programmes, and so we need to have this transparent information, Madam Speaker, in order to make a meaningful dent in the issue of unemployment.

Madam Speaker, the Immigration Regulations go on to speak about the Board or the Chief Immigration Officer, **“. . . may require an applicant for the grant or renewal of a work permit to provide details of any programme that he has that is designed to ensure that Caymanians are provided with the instructions and practical experience necessary to make them fully qualified to carry out the job concerned satisfactorily and as expeditiously as possible.”**

It goes on to state that: “**(2) The absence of such a programme or the failure to implement such a programme without reasonable cause constitutes a ground for denying the grant or renewal of the work permit.**”

So, Madam Speaker, the Immigration Regulations already speak to the requirement for training. And as many of the persons speaking earlier today recognised, there is an issue with respect to the actual enforcement of these regulations in many instances. This system, Madam Speaker, will help to shift the burden to the employers themselves to demonstrate that they are actually doing just that: providing meaningful opportunities for practical experience and instructions in a way which supports the training and development of Caymanians.

So, Madam Speaker, by accepting this Motion, we will help to create an environment where these provisions are actually operationalised. Also, Madam Speaker, what the Government has been doing with respect to developing the framework, developing the resources, developing the programmes offered through the NWDA, through the development of the database, and hopefully, by Immigration developing a similar database with respect to work permit applications, we will have a mechanism which operationalises these sections of the regulations that were made over ten years ago.

In support of the adoption of the accreditation system, Madam Speaker, I think it is not only necessary, but timely. And I agree with the movers in their call for the implementation of this system within a six-month timeframe. I believe the system is in place, it is just a matter of the Government making this a priority and moving this forward. And I look forward to being a part of whichever Government will do that.

Madam Speaker, I also support the creating of the segregated training fund, because, as we heard, we are spending over \$9 million on DCFS [Department of Children and Family Services]. A lot of that money can be diverted towards this training fund through (as was discussed in my presentation and a number of presentations earlier) those persons, Madam Speaker, who should be actively seeking work, getting gainfully employed. And the fund will help to transition and the creation of upskilling and income supplementation for those persons who are willing to undergo the necessary training to secure employment. And as we heard, Madam Speaker, we are not reinventing the wheel. We would not be reinventing the wheel by accepting this Motion.

Singapore which is in many ways a competitor to the Cayman Islands as a financial centre, has managed to successfully implement such a regime, and managed to develop a highly skilled workforce. It is us as a Government having the political will and the participation of the private sector to see this thing to fruition.

Madam Speaker, in my mind this is a *win-win* situation. It is a win for all. The Government will help to move the employment agenda forward in such a way that will ensure is sustainable development of our country and our people, and employers who demonstrate that they are doing their part. And many of them already are, Madam Speaker. So, their ability to be accredited at the top tier will be little or nothing. It is the other employers that we need to encourage; the other employers who are not compliant with their pensions or health insurance. It is the other employers who compete by importing cheap labour and not providing proper training, proper health and safety, et cetera. It is those employers who would be most negatively affected initially.

But, Madam Speaker, this should hopefully bring them in line with what we want from all of our employers in the country. We have to upskill our people. We have heard that time and time again. We have to also find the funding in order to promote this programme. And so, Madam Speaker, suffice to say, the Fifth Elected Member for George Town and the Fourth Elected Member for Bodden Town have my wholehearted support in this Motion and I thank them for bringing it.

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

I recognise the Honourable Premier.

**The Premier, Hon. Alden McLaughlin:** Thank you, Madam Speaker. I believe I am the last man, the last person. I would say the last man standing but . . . the last person . . . the last Member of this House to speak with respect to this important Motion. I think, Madam Speaker, all of those who have spoken before me have pledged their support to the Motion and I believe it is time that we renew this initiative which began under the previous PPM Administration, but seems to have languished over the course of the last five years.

Madam Speaker, I have said in this House and elsewhere before that I do not believe that continuing to whip the horse or to use the whip (I should say) that we have used over the last 40-plus years is actually going to result in much more than what we see now. It is far more likely that we will get a change in attitude of employers generally if they believe that there is something in it for them and for their businesses if they give greater opportunity to Caymanians, if they provide more training, if they do the things which really, and quite frankly as good corporate citizens, they ought to do in the first place.

This system being proposed would actually provide a series of rewards for those corporate citizens who do the right thing. And those who do not would, obviously, not receive those benefits. So, Madam Speaker, the Government wholeheartedly supports this Motion.

I just want to say a few words with respect to the whole Immigration system, work permit system, and employment system in Cayman.

Madam Speaker, anyone listening to this debate would have heard the frustration in the voices and in the expressions of many Members of this House, indeed, resentment in some cases, about the way that Caymanians have been treated, are treated in the workforce in terms of employment opportunities and upward mobility, or the lack thereof in many instances. Madam Speaker, none of that is new. All of that has been around, I think, ever since we started having foreign labour come to the Island. A certain amount of that is inevitable and is to be acknowledged and accepted (if I may say that). But, Madam Speaker, as others have alluded to, in downtimes, such as we have had in the course of the last five years, although things are certainly on the economic front looking much brighter now than they were even a year ago, there is still some significant lag in terms of employment opportunities for Caymanians. And it is not just the marginally employable (if I may call them that, the casual labour and so forth).

As the Minister of Education and Employment spoke to just now, you know we have increasingly significant numbers of persons who actually come back with second, and sometimes third, degrees who are finding it very difficult to find a place in the workplace. Madam Speaker, that is the stuff that is most worrying of all, because when persons feel that they have done everything that they possibly can and cannot find employment opportunity in their own country, that breathes a level of resentment that does not augur well for the social balance and peace for which places like Cayman have been known for many, many years.

Madam Speaker, although I said I would never do this, I cannot help but comment on the lack of sensitivity, really, of some in the media when they speak to these issues. I do not want to get into a back and forth between myself and the *Cayman Compass* and their editorial board and so forth, but I am going to say this much, Madam Speaker: I know full well as does every Member of this Government and indeed most people in the country, that the *Cayman Compass* does not support the current Administration. Quite who they are backing is anybody's guess. But I will say this: It is one thing to have an opinion. It is another thing to base that opinion on factually incorrect statements and premises and positions, which, increasingly, and with distressing regularity, they do. The comment in the editorial today about the policy that has been adopted by this Government with respect to Immigration could not be further from the truth. And if one just examines the facts of what we have done on immigration front since we took office, it would become apparent to anyone.

Which administration was it that dealt with the temporary limited term permits, the TLEPS extended

permits? This Administration! Which administration was it that extended the rollover period from seven to nine years in the face of a great deal of opposition from Caymanian quarters? This Administration!

Here we are now, pressing forward with another Progressive proposal—accreditation. Rather than relying on the old, worn out, and, we believe ineffective, means of taking businesses to task through the law because they have not fulfilled what their legal obligations are.

Madam Speaker, I just have one word of advice for those who write these editorials and take these positions: You will never ever discern the attitude and the sentiment and the basis for feelings of local people by simply circulating in the cocktail circuit. You have got to live in the real Cayman and move among our people and then you will not express surprise about this growing feeling of “us and them” which you write about in your editorial column. Madam Speaker, pretending it does not exist is not going to make it go away. And when they talk about preaching divisiveness, the divisiveness that I see and feel is generally not in this House. I see it more and more in the editorial column of places like the *Caymanian Compass*.

Madam Speaker, this country has been built because over the years we have managed to understand even when there is resentment and hard feelings on either side that the relationship between Caymanians and those who come here to work and invest is a symbiotic relationship. It requires both of us. But please do not come to my country and tell me or tell the people of this country that it is better to do it this way because that is how they did it where you come from.

**Hon. D. Kurt Tibbetts:** Why did he come here? Why he never stayed there?

**The Premier, Hon. Alden McLaughlin:** It amazes me all the time that people who have left where they came from because they see a better prospect somewhere else, will seek immediately to import and impose upon that other place all of the things and systems and attitudes that they left because they did not think it was working well.

Madam Speaker, this is not a xenophobic Government, because I expect that is going to be the next headline I am going to see. This is a Government that is striving in difficult circumstances and with little support from most media, to return the Cayman Islands to the path of prosperity where there is a government that has credibility, where people who live and work and invest here can have confidence. But, Madam Speaker, it must be understood that these three little rocks do not exist for the principal purpose of enriching those who come here. This was not some black canvas that people who came here in the last 30 and 40 years and painted. These Islands have been

inhabited for more than 300 years through some really, really rough times. We are hard, tough, enterprising, self-reliant people—that is where we came from.

**Hon. D. Kurt Tibbetts:** Tell um!

**The Premier, Hon. Alden McLaughlin:** And, Madam Speaker, it is insulting, quite frankly, sometimes—

**Hon. D. Kurt Tibbetts:** The way you sound now, we are going to stay here until nine o'clock.

**The Premier, Hon. Alden McLaughlin:** —to read some of the things that are said about Caymanians and Caymanian attitude. Sometimes I say, *Jesus Lord, even a stopped clock is right twice a day. The Government cannot be wrong with everything it does.* There must be one Caymanian, at least one, who is capable of something. Why is it that page after page, editorial after editorial, is hammering away at some Caymanian institution, hammering away at some Caymanian attitude, principle, precept? Everything in this place is bad.

**Hon. D. Kurt Tibbetts:** Why do they stay here?

**The Premier, Hon. Alden McLaughlin:** The negativity is overwhelming, Madam Speaker. And while I get frustrated by it, I hold that most of the time, but I know because I move and live among our people, that the way I feel about what is said, is not just Alden McLaughlin's views.

You know I am really going to get in trouble now. But, Madam Speaker, when you stand back and look and see who is expressing these views, ask yourself how many of them even begin to understand what makes Cayman; what it is to have to struggle to make a living. How many of them understand what it is that elected Members of this House deal with every single day of our lives?

**Hon. D. Kurt Tibbetts:** None of us can wear slippers to cocktail parties.

[Laughter]

**The Premier, Hon. Alden McLaughlin:** Madam Speaker, and the editorial says, "A rising tide lifts all boats." But, Madam Speaker, it cannot lift those boats that are tied down by all sorts of economic forces.

Madam Speaker, like you, I struggled and stroved to make something of my life. You know, often I say to myself . . . some people look at me and say, *Oh, Alden has got it made.* Madam Speaker, I have been working since I was 16 years old. Nobody gave me a scholarship to go to law school. Nobody paid my way; I worked my way through law school. I worked through the last three years of high school because my parents did not have the means to send me off

and I did not get a scholarship. I have never complained about that; it has made me a stronger person.

But I understand what it is to have to struggle and to work hard. All of my adult life hard work has been my best friend. Hard work and determination is why I beat plenty of them who are plenty smarter than me. But it is not many around that are prepared to do any more work than I am prepared to do, even at this point in my life.

Madam Speaker, I know all about attitudes to Caymanians in the workforce. I know all about it. I battle some of those too. I was fortunate to be in a law firm that gave me an opportunity, and within five years of my qualifying—even though they made me pay all of my way through law school and got paid not very much while I was there. Within five years of qualifying, I made partner. But no one can tell me about the attitudes to Caymanians in the workforce. Some of those attitudes have good basis. There are Caymanians, without a doubt, who do not work hard enough, who do not have the discipline they need, do not have the work ethic that they need. I am not trying to say no to that. But I am telling you that [with] all of that aside, there is still in many quarters—and there are good corporate citizens and there are good firms—a certain resistance to giving Caymanian opportunity for upward mobility.

Madam Speaker, I hate to use personal examples, but this is recent in the last few years. My wife went to law school late in life. But she did extremely well. She did better than I did. She got a high upper second, almost a first class pass in her degree. She a commendation in her PPC, but it took her nearly two years to get articles.

Madam Speaker, I have another horse in this race. My eldest son got a high upper second degree in philosophy in Bristol. He just finished his graduate diploma in law and got a commendation. He just went back to do the Legal Practitioners Course I think it is called, the LPC. So, in a year's time when he is looking for articles, what are his prospects? With 600 lawyers here, any Caymanian who does well enough . . . I am not saying they should hire persons who do not work hard and do well enough. There should be no Caymanian who has done well enough who does not have an opportunity to qualify.

**Hon. D. Kurt Tibbetts:** There's 100 more lawyers who came since you [INAUDIBLE]. There are 700 now.

**The Premier, Hon. Alden McLaughlin:** So, Madam Speaker, we need balance. There are those on the other side who believe that every foreigner ought to be run off the Island, and that we can do it all by ourselves and that we need to make the work permit provisions tougher and all of that. That, Madam Speaker, is not my view, and is not the view of the Government. As I said at the start, this is a symbiotic relationship.

But it must be right, and it would take a higher force to tell me otherwise. It must be right that a Caymanian who strives, who wishes to work, who does what is necessary to get the qualifications and the training, that they ought not to be offered the job in preference to someone who is not Caymanian. If anyone can convince me that there is something wrong with that, then, all that I have thought about over the course of the last almost 40 years is all wrong.

If you cannot get preference having done all of those things in your own country, where should you get preference? I know of no other country in the world that operates on any different principle.

And so, Madam Speaker, we are not coming back to the Motion. We are not going down the road of whipping employers about this. What we are proposing is a scheme by which good corporate citizens get rewarded for doing the right thing. And by one means or another, because we will have to make adjustments elsewhere in the budget, once this scheme comes into effect, 10 per cent of the work permit fees will be placed in a segregated fund to assist with the training part component which is set out in the Motion. Because, Madam Speaker, none of us on this side, and those who spoke before me said so but I will say it again, none of us on this side believe that to be Caymanian is qualification enough.

The persons in our workforce, in most instances, have to operate in accordance with global standards, because Cayman is a jurisdiction with service based industries. Everything we do is service based. So, the standard of service that we provide, regardless of whether it is in the hotels, regardless of whether it is in the financial services industry, has got to be global standards. And we cannot expect our people simply because they are Caymanians not to have to operate in accordance with those standards. But, Madam Speaker, when we do we must be given the opportunity.

There are attitudes among Caymanians that need some adjustment. I will get some licks for saying that too, but it is true. I often wonder, Madam Speaker, because I pay attention to these things. As I move around there are so many jobs that I see being done by non-Caymanians which our people could do and you wonder why they will not do them. In some cases maybe they think the wages are too low. Well, Madam Speaker, my attitude to that . . . and I have told some that, those who have gotten angry with me in my constituency office.

I remember one young lady in particular that I called up a supermarket and said that they must have something she could do. I called up my friend (I will not go into names) at one of the supermarkets and asked if there were any jobs that so and so could do and that she had this and that and the next thing, and he said, *Yes, I have a couple of cashier jobs.*

*How much does it pay?*

When he told me what it paid I said so to her.

She said, *I cannot work for that.*

I said, *But you are not working now. Something is better than nothing. It is easier to get a job when you have one.*

We have to get away as a people from that attitude. If you are not working at all, and in this case, have not worked for eight or nine months, and you are having to get assistance from DCFS or from whoever you can get it from, surely, \$6 an hour is better than nothing.

So, Madam Speaker, I say all of this just in case any of those who are listening to me and will report on this, think that I have some misplaced view that Caymanians, you know, are all perfect and all Caymanians should be given jobs regardless. That is not my point at all, Madam Speaker. But the other perspective which I see and feel and hear, is also based in a fantasy world, a world which indicates to me that those who write those sorts of things really have no clue about what is really alive in the minds and feelings of the average Caymanian.

Madam Speaker, if you live in the rarified air of the cocktail circuit, you can certainly come to that view. But, Madam Speaker, we who work in here do not have that luxury, and we are here, in the first place, because what we have said and how we have lived and how we have conducted ourselves, resonate with the people who vote for us. And, Madam Speaker, this is my fourth term. And every single term I have been here, when the election came, there were people who were here that are not here the next time round, because that set of people out there who vote for you, pay attention and they listen. They know when you are addressing their concerns and needs and they know when you are not. And I promise you, if they do not believe that you are addressing their concerns and their needs, you will not be here next time round. And I know I do not need to say that to you because you have been here longer than me. You understand that very well.

Madam Speaker, I just wish to finish with something I say all of the time: "Politics is the art of the possible." We all have ideal views about a whole range of things and given that things were ideal, this is precisely what we would do and we would fix it. But politics is not the world of the ideal. We have got to operate within the social conditions and the circumstances in which we find ourselves. One thing this Government is not lacking is vision. But, Madam Speaker, it is vision tempered by the reality of the circumstances, including the economic conditions and the financial position of the Government.

We are keenly conscious of the need to continue our work in getting the economy moving again. It is moving, but moving faster. Of course, we agree that more job creation is what we need, because the more jobs there are, the more opportunities there are for everyone. But surely, Madam Speaker, they cannot be saying to us that in the meantime we ought not to

insist that the jobs that there are, if there are Caymanians who are willing and able to do those jobs, that they should not have those jobs, but that we should import more people to do those jobs and leave those Caymanians displaced, which is what the editorial is suggesting.

Madam Speaker, that sort of approach is a recipe for social disaster. The feelings—the very strong feelings—those who listen to the talk shows, those who move around and listen to people chatting in the supermarkets, in the bars and the restaurants, the local people, will know what I say to be the truth. When Caymanians look and believe that there are foreigners in jobs which they can do, there is bound to be huge resentment. There is bound to be this feeling of, *They are getting all of it and we are not getting anything*. And, if we as a Government choose to ignore that sentiment, I am afraid, Madam Speaker, we will not be the Government for very long. But, then again, that may well be what those in certain quarters are hoping for, and that we can return to a time where policy can be set at the editorial table. My view, Madam Speaker, is that if you want to set policy, you need to get elected. Those of us who are here have the privilege to set policy because we have run the gauntlet and we have been chosen.

Everything is but for a time. And I know full well, Madam Speaker, that, I may never have another term. That is the way it is. But this I know, Madam Speaker, while I am here, while I enjoy the confidence of my people and my Government, I am going to endeavour to do that which is right. I am not perfect. No one in my Government is. I have made mistakes and Lord knows I will probably make some more. But of this everyone in this country can be certain, I care deeply about this place and my people. I am the seventh generation on my father's side to walk this land. There are some who claim to love Cayman, and perhaps they do. They say Cayman is a place that they want to live in. Madam Speaker, Cayman is the place I want to die in, and have my bones interred here along with those of the generations who have gone before me. My only legacy, I hope, is that they say he was an honest man who tried his best for his people, and he loved his country and his people dearly. I want no other legacy.

Thank you, Madam Speaker.

*[Pounding on desk]*

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

If no one wishes to speak I will call on the mover to exercise his right of reply.

**Mr. Winston C. Connolly, Jr.:** Thank you, Madam Speaker. I will be brief.

Madam Speaker, I am extremely grateful for the overwhelming support that I received when putting this Motion forward. But with this group of politicians who have Cayman's interest at heart, I cannot say that I am surprised. I would expect nothing less.

Madam Speaker, there were a number of our colleagues who did not get up to speak but saw me outside the Chamber and wholeheartedly supported the Motion. So, for those in the Chamber and those who have left, I want to publicly thank them because every single person who was here today has given their support.

Madam Speaker, we now have a task in front of us. I have set a six-month deadline, so I promise that I will work tirelessly to ensure that we implement this over that period. With the help of my colleagues in Government I know that we can, and will, get this done.

Madam Speaker, I would like to thank you again for your indulgence. To the Fourth Elected Member for Bodden Town, I thank you for supporting me in this Motion. And to all the Members of this honourable House, I say thank you.

Goodnight, Madam Speaker.

**The Speaker:** The question is that "BE IT THEREFORE RESOLVED THAT the Government consider a review and if necessary, a revision, of the Immigration Law (2013 Revision) and the draft Immigration Accreditation System with the view to implement, in short order, and no later than in six (6) months, the methodology set out in the draft Immigration Accreditation System documents;

"BE IT THEREFORE ALSO RESOLVED THAT the Government considers appointing a task force to consider any relevant revisions to the Immigration Law subsequent to the draft IAS documents. Such task force to carry out public consultation and input from related stakeholders and present their revised draft of the Immigration Accreditation System which will be included in an amendment to the Immigration Law and brought into effect;

"BE IT THEREFORE ALSO RESOLVED THAT the Government consider as part of the Immigration Accreditation System, the Singapore model, whereby for each skilled worker imported, ten percent of the work permit fee currently paid for such work permit holder, be paid into a segregated fund by the Immigration Department. The fund should be used solely for the training and up skilling of locals in order to teach skills and retool workers in order to allow unskilled locals to enter into and succeed in the skilled labour market that they are currently not able to access. Such fund can also act as a workforce income supplement to replace social services for those able to work and actively looking for work and willing to undergo such training in order to incentivise employers by supplementing salaries of locals training for employment."

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

**AYES.**

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

**Agreed: Private Member's Motion No. 6 2014-2015 passed.**

**The Speaker:** Honourable Premier, can I have a motion for adjournment please?

## **ADJOURNMENT**

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

Madam Speaker, my great hope and expectations were dashed. We have four motions left to go, so I will have to adjourn this honourable House until 10:00 am Wednesday.

**The Speaker:** The question is that this honourable House now be adjourned until 10:00 am Wednesday morning.

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

**Ayes.**

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

**At 8.32 pm the House stood adjourned until 10:00 am, Wednesday, 17<sup>th</sup> September 2014.**

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