

**OFFICIAL HANSARD REPORT**  
**30 SEPTEMBER 2011**  
**11.50 AM**  
*Third Sitting*

**The Speaker:** I call on the Honourable Minister of Health, Environment, Youth, Sports and Culture to say prayers this morning.

### PRAYERS

**Hon. J. Mark P. Scotland:** 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

#### Apologies

**The Speaker:** I have no messages other than to continue to remind our membership that the [Second] Elected Member for Bodden Town and the Deputy Premier are absent for family and illness reasons.

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

**The Clerk:** Questions to Honourable Members and Ministers of the Cabinet. Suspension of Standing Order 23(6) suspended to enable more than three questions standing in the name of the same Member to be asked.

**The Speaker:** Honourable Premier.

#### Suspension of Standing Order 23(7)

**The Premier, Hon. W. McKeever Bush:** Perhaps, Madam Speaker, I should suspended Standing Orders to allow questions to be asked after 11.00 am. That is . . . Madam Speaker, I move, firstly the suspension of Standing Order 23(7) in order for questions to be asked after 11.00 am.

**The Speaker:** Before I put the question, I want to make an apology. We had some technical difficulties in the House this morning. So we had a late start.

The Standing Order is 23 . . . Honourable Premier, the number again please?

**The Premier, Hon. W. McKeever Bush:** [Standing Order] 23(7).

**The Speaker:** The question is that Standing Order 23(7) suspended. All those in favour please say Aye. Those against, No.

**Ayes and one audible No..**

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

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

#### Suspension of Standing Order 23(6)

**The Premier, Hon. W. McKeever Bush:** And then, Madam Speaker, I move the suspension of Standing Order 23(6) which enables more than three questions standing in the name of the same Member to be asked.

**The Speaker:** The question is that Standing Order 23(6) which enables more than three questions standing in the name of the same Member to be asked, be suspended.

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

**Ayes and one audible No.**

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

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

**Question No. 15**

**<sup>1</sup>No. 15: Hon. Alden M. McLaughlin, Jr., Leader of the Opposition** to ask the Honourable Minister of Education, Training and Employment: How much has been spent on the construction of the new John Gray and Clifton Hunter campuses since May 2009?

**The Speaker:** The Honourable Leader of the Opposition is absent. Is there a Member [of the Opposition] who will ask the question or ask for a postponement/deferral?

**Deferral of Questions Nos. 15, 16, 17 and 18**

**Mr. D. Kurt Tibbetts, First Elected Member for George Town:** Madam Speaker, the Honourable Leader of the Opposition was unavoidably detained, but he is on the way. He is aware that questions are on the Order Paper in his name, and we expect him shortly.

So, if you would see it fit to defer the questions until later on in this sitting, we would appreciate it.

**The Speaker:** Okay, that is, with the consent of the House. I think everyone agrees with that. Next item.

*[Inaudible interjections]*

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

**The Speaker:** I have notice of two statements by the Honourable Minister of Education.

**Government High School Examination Results**

**Hon. Rolston M. Anglin, Minister of Education, Training and Employment:** Thank you, Madam Speaker.

Madam Speaker, the first statement I have is in regard to Government High School Examination Results. Thank you for approving these statements.

Madam Speaker, I wish to draw the attention of this House to the achievements of students from government high schools in their recent public examinations.

For over 20 years now we have measured the success of students leaving our [government] high schools on the basis of their accumulated results by the end of year 12, when they are usually 16 or 17 years of age. The international benchmark for achievement, and progression to further study, is a threshold of five (5) Level Two (2) passes—also known as “High level passes” or “O Levels”.

Within government schools these Level 2 passes are achievable at Grades 1–3 in the Caribbean Secondary Examinations accredited by CXC (Caribbean Examinations Council), A\*-C in IGCSE (International General Certificate of Secondary Education) examinations, or at Level 2 in BTEC (Business and Technology Educational Council) or IMI (Institute of the Motor Industry). I wish the House to recognise here that these examinations are all internationally recognised qualifications, and as such are taken by many thousands of students worldwide. As such we are measuring our students and our system against externally verified and quality assured criteria, applied internationally, so that there can be no question of the ability of our students to compete on a level playing field.

I am very pleased to report to the House that for the first time our schools have recorded a national figure for all government school Year 12 students of over 40 per cent for 5 Level 2 passes, the final official national pass rate for government schools reaching 45 per cent overall. This represents a pass rate of 43 per cent by the 310 students in Grand Cayman and 67 per cent by the 32 students on Cayman Brac.

In other words, this means that 154 students left our school system this year having achieved that benchmark of success. In 2006, the equivalent figure was 84 students. That means 70 more students who earned the opportunities which school success can bring.

Among our highest achievers, we recognise 76 Honours students who achieved at least 7, but in some cases as many as 14 Level 2 passes. It is worth noting that one student, Katherine Lazzari, from Cayman Brac, not only achieved 12 passes with 11 at Grade 1 or A/A\*, but also received the top mark in the Caribbean for CXC Integrated Science exam when she was in Year 11. Again and again, we are proving that our government school graduates are able to successfully compete with their peers, not only at home, but globally.

To put this in perspective, only 10 years ago both high schools were recording pass rates in the low 20 per cent range using this benchmark. John Gray High School averaged only 25 per cent from 2001-2008, with a high of 29 per cent in the post Ivan year,

<sup>1</sup> Also see page 519

when many students were not included due to not being on Island, or in regular school, after the storm.

The House should also note that the figures we have used for the past four years recognise and record all the students who are registered for school at the beginning of the year, whether they attend regular school or are in alternative settings such as Eagle House or the Young Parent Programme. This is important in as much that some systems and some schools inflate their figures by excluding challenging students from the statistics. We have ensured that our figures reflect all our students at Year 12 regardless of age, ability or background.

Madam Speaker, I would hope that all of us can recognise the level of effort required to bring about this improvement in standards. This is, of course, a reflection of the work and ability of our students, but it also has involved considerable work by the Ministry, the Department of Education Services (DES), the school administration and the teachers.

We do not, for one minute, consider the job to have been completed. We continue to strive for excellence and recognise that many other education systems are still outperforming ours. We therefore commit to further improvements in the results next year and beyond. However, it is only right and fair to commend and encourage those who are involved in this process when improvements have been achieved.

Madam Speaker, these results are not just the product of greater effort alone, but also represent the outcome of a strategic approach by the Ministry, DES, and schools to raising standards, which will now be brought in to even sharper focus still by our newly appointed Senior School Improvement Officers.

From the ESAU (Education Standards and Assessment Unit) reports of our high schools, Cayman Brac High School (CBHS), as it was then in 2004, and John Gray High School [JGHS] in 2006, clear recommendations for school improvements were identified. For example, in JGHS students were not being entered for examinations at the appropriate level in many subjects. Indeed the average over the 2001–2008 was only 4.6 CXC or GCSE subjects entered per student. Clearly, we were going to struggle to achieve the international benchmark of five (5) or more subjects at Level 2 with such low levels of expectation, and for this reason all students in mainstream high schools are now entered for an average of at least seven (7) examination subjects at the appropriate level.

This decision was not plucked out of thin air, but was based on clear data from cognitive testing which showed that all of the students in our high schools have the ability to achieve grades at either Level 1 or Level 2 in CXC or GCSE papers. Indeed, this has subsequently proven because for the past three years we have been able to celebrate 99 per cent of high school students leaving school with such grades, compared with a range of 75–87 per cent in

the past. The handful of students who do not achieve a GCSE or CXC grade are almost invariably those who, for various reasons, do not show up for the exams at all.

A significant part of the new strategic approach has been to work with the schools to select examination courses that are most relevant and appropriate to the interests and aspirations of our students. This process has also involved representatives from the business community being consulted on exam selection, and feeding back their opinions on what is most relevant and appropriate to their needs. Madam Speaker, the three R's of Relevance, Rigour and Relationships sit hand in hand with the traditional understanding of these terms. Relevant courses engage our students and encourage them to strive for excellence because they can personally see the importance and application of their studies.

In terms, therefore, of Rigour, in the past it is fair to say that too much of the responsibility for exam preparation in some subject areas was left to the students. Whilst we encourage independent learning, there is a big difference between being independent and being left to work everything out alone. Our schools on Grand Cayman have taken the lead from best practice overseas, and from their colleagues on Cayman Brac and in private schools in providing much greater structure in terms of examination preparation. Classes are now allocated for school-based assessment, rather than requiring students to work on the tasks at home. Much greater emphasis is placed on the use of past papers and examination questions—and from the very outset of the course rather than leaving it to the end. Targets are now set for departments to strive to achieve based on the students' prior performance and predicted outcomes. In addition, revision classes, revision guides and online study sites are being used more extensively to support the students' revision practice.

Madam Speaker these approaches are being employed for the benefit of our students and represent a far more rigorous, professional approach to examination courses than previously.

Madam Speaker, relationships are also a key factor in successful outcomes for students, most notably relationships between student and students, students and staff, staff and parents, and not least, students and their parents. The outcomes of all our students, is all our responsibility. As a consequence much work is being undertaken to involve all stakeholders in the education of our children and to improve the interactions between them. For example, for all secondary schools, the staff has received training de-escalation and non-confrontational methods of conflict resolution. This training is part of the "Behaviour for Learning" strategy which has substantially reduced the number of serious disciplinary incidents in school and hence the number of suspensions, so in

turn the reducing the negative impact of poor behaviour on students' outcomes.

Madam Speaker, in celebrating the success of today, inevitably I am drawn to reflect on the potential for further achievement in the future. This Government strives for higher standards still, and is confident that these are attainable. Again, this confidence is not groundless, but is based on sound data.

The model for secondary education on Grand Cayman was transformed last year, from the previous three-year middle school plus three-year high school structure to an "all through" five-year high school plus one year further education structure. As previously, exams are reported on the accumulated results of the six years of study. We therefore have a baseline figure on Grand Cayman for results achieved at the end of Year 11.

I am pleased to announce that these have also significantly improved. Indeed, 30 per cent have achieved the 5+ Level 2 passes threshold already and it is worth noting that this alone would have been a national record only four years ago. Many more students will add the extra grades they require over the course of this coming year. On Cayman Brac the figures are also encouraging for passes achieved by Year 11, and they are on track for sustained high quality outcomes.

Madam Speaker, we also need to recognise the success of the Cayman Islands Further Education Centre (CIFEC), which is effectively our first vocational school. Over 200 students studied vocational courses last year in subjects such as, Information Technology, Health Care, Travel and Tourism, Business and Creative Media and received good grades. Indeed 69 per cent completed their courses and many students achieved four additional passes at the very highest grades at Level 2.

We have expanded the provision this year at CIFEC and built on our experience last year. It is expected that the pass rates at BTEC [Business and Technology Education Council of the UK] will significantly improve for 2012.

On a more fundamental note, we continue to strive, within Early Years and Primary schooling, to improve on the foundations of knowledge and understanding. The Literacy strategy continues to build on success, an Early Years strategy has been implemented this year, and a new comprehensive national numeracy strategy, which bridges primary and secondary education, is under construction. Our results for testing at the end of Primary education show an increase in attainment level for both Mathematics and English over the past year, which again, gives us the confidence to predict further gains in Level 2 passes going forward.

Madam Speaker, I would hope that both sides of this honourable House would join me in commending our educators for the work that they do for the students of the Cayman Islands. I think we all recognise

what a demanding job it can be at times and, equally, we also note what a significant impact education has for the continued success of this country.

I am pleased to celebrate the successes outlined today and exhort you to join with me in supporting our educators, our students, our parents and our communities as our education system continues to strive for excellence.

Madam Speaker, I thank you.

Just before reading my next statement, Madam Speaker, I would also note that we will be having a function later on this year to celebrate our students' successes. All too often, Madam Speaker, we tend to focus on the very small percentage who get involved in antisocial behaviour, and do not take enough time and energy to really celebrate the vast majority of our students, the vast majority of our young people who do the right thing.

Madam Speaker, next week is also International Teachers' Day as celebrated by UNESCO (United Nations Educational, Scientific and Cultural Organization), and there will be a full statement from me in the local press. But as we probably will not be here next week, God willing, I will take today, in this forum, in anticipation, to wish all of our educators, principals and PTAs, a good and happy International Teachers' Day, and encourage our PTAs, as we have already done by communicating at school level, with developing and taking part in appropriate celebrations in honour of our educators.

Thank you, Madam Speaker.

Madam Speaker—

**The Speaker:** *[Not speaking into the microphone at the beginning]* Honourable Leader of Education.

Leader of the Opposition.

### Short Questions

*[Standing Order 30(2)]*

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Madam Speaker, I would just like to ask the Honourable Minister a question, a short question in relation to his statement.

**The Speaker:** Do you have your microphone on?

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Yes, Madam Speaker. I was speaking rather softly. Sorry.

I start by adding, or joining with him in commending all concerned for the fantastic results over the course of this year. That is exceptional, Madam Speaker, that we are now at 45 per cent of students getting five good passes or better. I join with him . . . he and I take issue on a range of things, but I do not doubt his commitment, as was mine, to improving the standards and outcomes for our students. And it appears that we are on track in many respects.

I think this may be an omission, but I will just ask the Minister to confirm what my information is. He has indicated in his statement on page 3 that, **“To put this in perspective, only 10 years ago both high schools were recording pass rates in the low 20 per cent range . . .”** and he has dealt with the period between 2001–2008; but he has not dealt with 2009–2010.

So, just for the sake of completeness, I would ask him if he would confirm that the good pass rates, that is five good passes or better, was 36 per cent in 2009 and 38 per cent in last year, and then I think that will round out the picture and put things truly in perspective.

Forty-five per cent overall, Madam Speaker, is magnificent. I do hope we reach the point where one education minister, not too long from now is able to say that we are having 75 per cent to 80 per cent good pass rates, that five or more subjects have good passes.

Thank you, Madam Speaker.

**The Speaker:** Thank you.

Minister of Education?

**Hon. Rolston M. Anglin:** Thank you very much, Madam Speaker.

I can confirm that the 2009 pass rate of five or more, or rate of students achieving five or more high level passes was 36 per cent; and it was 38 per cent in 2010.

I can say that, certainly from my perspective, until we get to at least 75 per cent, we cannot rest. We simply cannot rest.

Madam Speaker, I have a second statement.

### **Alternative Education Services**

**Hon. Rolston M. Anglin:** Madam Speaker, I wish to inform the House of my Ministry's restructuring of provision for Alternative Education Services.

The Ministry has restructured alternative education for secondary school students with significant emotional, behavioral, and/or social difficulties (EBSD). The restructuring will address the low success rates regarding reintegration of EBSD students back into mainstream education, and into successful roles in society. It aims to reduce the high rates of EBSD students who have traditionally 'dropped out' of the education system altogether as well as providing better value for money.

In the past secondary school alternative education provision for EBSD students on Grand Cayman had three separate strands: the Suspension unit, the Tutorial Unit and the Transition Unit, all three of which based at the Alternative Education Centre (AEC). Students were referred to these units following documented behaviour issues, usually over a protracted period. The judgment for referral to the Tutorial and

Transition units was based on the need for individual EBSD interventions, and on the negative impact that the student is having on the learning environment within their home school.

Madam Speaker in-school suspension is now served at suspension units within each high school. This change was made to address the issues identified in getting appropriate work set and returned to students on suspension, and to facilitate more effective communication regarding referral to suspension and attendance within the suspension units. This approach was informed by ESAU (Education Standards and Assessment Unit) inspection findings, and I quote: **“In the suspension unit . . . the curriculum is not appropriate, mainly because the staff do not have enough information about the students. The AEC does not receive adequate information from the high schools about the students who have been sent to the suspension unit. The AEC teachers are often not made aware of what work the students have been doing and, as a result, may give them tasks that are not suitable.”** ESAU (2006).

The restructuring has also replaced the Transition Unit placement, which was for less challenged EBSD students, with a more inclusive approach that focuses on alternative programming within mainstream education at the Cayman Islands Centre for Further Education (CIFEC). Year 12 students, previously placed in Transition, are now provided with individualised learning bridges that link into a framework of core examination subjects and vocational training, supported by experienced EBSD staff. Within this structure there is flexibility to provide varied numbers of days in the workplace dependent on the students' needs.

Importantly, however, it better prepares students for the world of work whilst also giving continued access [to] relevant qualifications, particularly in numeracy and literacy that was often denied in the past.

Madam Speaker, Tutorial placements, which were for the more challenging EBSD secondary school students, have been replaced by referral, through the judicial process, to the Therapeutic Community at Bonaventure Boys Home, which opened for students in September 2011 (this month), and, in the future, the planned Youth Rehabilitation Facility, due to open for clients in January 2013. These facilities are under the remit of the portfolio of the Ministry of Community Affairs, Gender and Housing, and are the result of a strong collaborative partnership with the Ministry of Education Training and Employment.

Students who are placed within these residential facilities will benefit from a true twenty-four hour curriculum that will address both the educational and emotional needs of each individual. It is also important to highlight that the education component within these facilities will offer the aligned curriculum and examina-

tion opportunities to those on offer within the high schools, thus limiting any negative impact on their education entitlement and future progression.

Within this continuum of provision an interim, separate, Alternative Education facility will remain on a self-contained area within the CIFEC site, and will be used to accommodate students who are awaiting transfer to the Therapeutic Community, or are in need of an emergency placement outside of the mainstream environment.

Finally, Madam Speaker, for the lower end of the EBSD spectrum, the restructuring has also included the expansion of in-school Behaviour Units and the creation of school-based Behaviour and Educational Support Teams so that a continuum of effective targeted intervention and support is provided for EBSD students. In-school support for EBSD students has been enhanced by employing a further EBSD specialist based within each high school Behaviour Unit and at CIFEC. The purpose of these Behaviour Units is to support the continued placement of students within their home mainstream school and their use has already made a significant impact on reducing previous levels of suspension.

Madam Speaker, the restructuring has aimed to address the recommendations of the last ESAU [Education Standards and Assessment Unit] report on AEC, and also relevant recommendations from the Report on [Pre-Disposing Factors to Criminality in the Cayman Islands](#) (2006) by Yolande Forde.

For example, The Yolande Forde Report clearly states that, and I quote again, “. . . **responses by the school authorities essentially constitute a punitive approach. It is by no means being suggested that bad behaviour should not be punished by school authorities. What is being suggested, rather, is that a punishment-centred approach is primarily reactive and myopic because it allows authorities to respond to the symptoms/outcomes while the causes of the misconduct frequently go unaddressed.**” [Forde, 3.27 (2006)].

The restructuring shifts the focus from reactive approaches to student behaviour to systematic approaches that deal with early identification, assessment and therapeutic intervention. The restructuring is initially addressing aspects of secondary provision, but a parallel primary school behaviour approach forms part of the implementation of the Behaviour and Education Support Teams (BEST). The BEST model revolves around multiagency teams formed to review individual cases and ensure effective interventions, and support, in the context of their families and wider communities

Madam Speaker, I wish to allay fears that dangerous and anti-social youths will be forced back in to classrooms, and wish to emphasise that the most challenging students, to whom these fears apply, will still be in separate accommodation. However, their needs should now be better served through therapeutic

intervention. The Residential Therapeutic Community will be accommodating 10 of our most challenging students by mid-October, and by January 2013 the Youth Rehabilitation Centre will accommodate up to a further 34 students and have up to 5 specialist teachers at their disposal. Exclusion from school, and indeed as often as not in the past from AEC itself, cannot be seen as a solution. These students are not someone else's problem and we must recognise that they may fail us and themselves time and time again. But as a society, we cannot afford to give up on them.

As I quote from Forde's report again: **“These are the children who are the greatest risk of future criminal involvement . . . They are not going anywhere . . . They stay within the limited confines of this island and become the criminal element that places us and our families at risk.”** [Forde 3.36]

If we ever needed reminding of that, then I think the recent events in our communities should have added some sharp focus for us. Of the six recent shootings, at least five were at some point AEC students, one as recently as 2010.

Madam Speaker, it is the view of this Ministry that the restructuring of AEC was long overdue, and I trust that they will receive the full support from this honourable House. The changes that have been made should ensure for the first time in our education system, Alternative Education Services that are:

- strategically planned, not reactive;
- aligned in terms of curriculum and examination entitlement to mainstream high schools;
- cost effective and accountable;
- focused on therapeutic intervention and reintegration.

Madam Speaker, I thank you.

**The Speaker:** Thank you, Honourable Minister of Education.

Leader of the Opposition?

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Madam Speaker, just to offer to the Minister our support and commendation for seeking to address this critically important issue. Particularly, as he said, in light of what we are seeing transpiring throughout this community in relation to the disenfranchised youth who have not had an opportunity because of a range of things (including their behavior) to get an education which allows them to feel included as part of the broader community and, therefore, allow themselves to be drawn into a subculture for which we and they are now paying a huge price.

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

I think since the Leader of the Opposition is here, we can go back and do his questions at this—

The questions are to . . . ?

*[Inaudible interjection]*

**The Speaker:** *[Addressing the inaudible Interjection]*  
No, no. I just moved it forward on the Order Paper.

## QUESTIONS TO HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

### Question No. 15

**No. 15: Hon. Alden M. McLaughlin, Jr., Leader of the Opposition** asked the Honourable Minister of Education, Training and Employment: How much has been spent on the construction of the new John Gray and Clifton Hunter campuses since May, 2009?

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

**Hon. Rolston M. Anglin:** A total of CI\$75.2 million has been spent on the John Gray and Clifton Hunter Projects from May 2009 to August 2011.

**The Speaker:** Supplementaries?

### Supplementaries

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** I wonder if the Minister can give us the breakdown between the two schools, the two campuses.

**The Speaker:** Honourable Minister.

**Hon. Rolston M. Anglin:** Madam Speaker, I do not have that information immediately at hand. I could provide that to the Honourable Leader of the Opposition in writing if he so desires.

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

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Thank you, Madam Speaker. I am happy to have it dealt with in that way.

I would just ask the Minister: Is he able to say what the estimated balance is in relation to the completion of those campuses?

**Hon. Rolston M. Anglin:** Madam Speaker, that too, I would commit to providing in writing to the honourable Member, because I do not have that at hand. And I presume he means split by school.

**The Speaker:** Thank you, Honourable Minister.  
Any further supplementaries?  
If not, we will go to the next question.

### Question No. 16

**No. 16: Hon. Alden M. McLaughlin, Jr., Leader of the Opposition** asked the Honourable Minister of Education, Training and Employment: What is the scope of the current construction management contract relating to the new John Gray and Clifton Hunter campuses— (a) on what basis is the construction management company being remunerated; and (b) how much has been paid to the construction management company so far?

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

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

The answer: (a) The construction manager's contract relates to the completion of the Clifton Hunter Project and the completion of Buildings 1, 3, 4C and 6 at the John Gray Project, with options for additional services should these be required. The scope of this work was designed, and publically tendered accordingly, in order to provide the Government with maximum flexibility as to how best to proceed with the projects, particularly in light of the uncertainty caused by the termination of the former general contractor.

The construction manager is supervising all of the construction work performed by the multiple prime contractors. In so doing, the construction manager is required to manage quality control, schedule and safety. The construction manager is paid on a monthly basis for services rendered, primarily by position on the site, in accordance with the proposal submission and the durations noted. If the schedule is extended through no fault of the construction manager, then additional services would be due through the time extension for the positions provided.

The construction manager's original contract agreement was for a value of CI\$2,269,772.00. This contract has since been extended and has a revised value of CI\$3,905,000.

(b) To date, the construction manager has been paid a total of CI\$2,850,000. And just for the record, Madam Speaker, the construction manager we are talking about is obviously CCML.

**The Speaker:** And just for the record, will you say what CCML stands for?

**Hon. Rolston M. Anglin:** Cayman Construction Management Services Limited.

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

### Supplementaries

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Would the Minister explain the basis for the extension of the construction manager's original contract, and what that extension involves over and above what was originally agreed?

**The Speaker:** Honourable Minister.

**Hon. Rolston M. Anglin:** Madam Speaker, the original targeted completion date was 15 July 2011. However, due to numerous delays, not the least of which was the procurement of a new MEP [mechanical, electrical and plumbing] subcontractor, the new completion date is February 2012.

Just by way of background, the original prime MEP subcontractor of Tom Jones International, we re-engaged them (and I have given this explanation in the House before, but I will cover it again, Madam Speaker). The Government engaged them, not only because of their knowledge on the job, but because of the significant amount of dollar value of equipment that they had ordered and that had been paid for by Tom Jones. So, once Tom Jones walked off the job, and was subsequently terminated in 2009, for the Government to then go out and get or tender for MEP at that point, would have been counterproductive and we would have lost a lot of value.

So, Madam Speaker, in an earlier statement in this House, I made the point that there were four prime subcontractors of TJI (Tom Jones International) that the Government sought to secure by way of contract extension. It would have been the MEP, the Eface in roof, windows and doors, because a lot of that equipment had already been ordered. Government had paid Tom Jones and Tom Jones had paid the subcontractor. So, effectively at that point, Government had paid for certain equipment, services, et cetera, for which we needed to secure value.

At the end of the negotiated extension with the prime MEP, they came to Government and sought to discontinue the works. Government then had to bid for and secure a new MEP. That was not anticipated when we secured the services of the construction manager.

So, as you can imagine, that had to go out, be tendered, evaluated, be received, and a new MEP subcontractor is on the job and threw all that together and that is what caused the knock-on in the delays and therefore we had to extend the construction manager's contract to match the new revised completion timeline.

**The Speaker:** Any further supplementaries?

Member for North Side.

**Mr. D. Ezzard Miller, Elected Member for North Side:** I wonder if the Minister can say what the difference is between a project manager and a construction manager, and if the Ministry has project managers employed as well on these two projects.

**The Speaker:** Minister for Education.

**Hon. Rolston M. Anglin:** Madam Speaker, in construction terms, when an owner (and in this case the

Cayman Islands Government) seeks delivery of an asset (and in this instance two schools) you can go a number of routes to deliver the asset. The traditional route chosen in Cayman has been a general contractor route. So you put together a bid document, you go to general contractors and the general contractor [submit] bids, and a piece of their bid is construction management. They include it in their bids to deliver the asset [which is] the actual management on site of the entire project.

So, for example, what would have been included in the original bid of Tom Jones International would have been their management and their management of things like the MEP subcontractor—the windows, the roofing, the Eface. When Tom Jones walked off the job and Government terminated the contract, Government had to take a decision as to the best way forward. And again, Madam Speaker, this too was reported in the House by a statement by me, but I repeat that that statement was made by me in December 2009 (if memory serves me correctly). At the time the Government, under advice from professionals, but also from direct communications by general contractors, went the construction manager route for the delivery of the two schools.

Put bluntly, general contractors in Grand Cayman told us that they would not be willing to take on the risk as a general contractor to complete the schools. So, really, other than going through a tender process in which you probably would have had non-Caymanian entities bid, we went the construction management route. It is noteworthy, Madam Speaker, that Cayman Construction Management Limited (CCML) is a joint venture of the big 3 construction firms on Grand Cayman, namely, McAlpine, DECCO (Dart Enterprises Contracting Company), and Arch and Godfrey.

The difference is that in all these types of arrangements the owner, under contract, and a contract of this scale, also is obliged to have in house and on their team, a project manager which is the owner's representative. So, in the original AIA [American Institute of Architects] contract there would be a call for a project manager.

So that is the difference between the project manager, who is the owner's representative, and the construction manager, who is the party responsible for the oversight of construction for building and construction activities on the school.

*[Inaudible interjection]*

**Hon. Rolston M. Anglin:** *[Addressing inaudible interjection]* Yes, we do.

**The Speaker:** Thank you, Honourable Minister.

Does any other Member have a supplementary?

If not, we will move onto the next question.

**Question No. 17**

**No. 17: Hon. Alden M. McLaughlin, Jr., Leader of the Opposition** asked the Honourable Minister of Education, Training and Employment: What is the status of the legal proceedings commenced by Tom Jones International against the Government for breach of contract arising from the contracts to construct the Clifton Hunter and John Gray School campuses?

**The Speaker:** Minister of Education.

**Hon. Rolston M. Anglin:** The proceedings commenced by Tom Jones International against the Government are NOT for breach of contract.

The proceedings commenced by Tom Jones International Ltd. ("TJI") against the Government in the Grand Court are in regard to non-payment of two Pay Certificates pursuant to the AIA contract. TJI's claim that a payment, it says is outstanding under the contracts, is ongoing. The Government is actively defending this action, and is currently pursuing an application for orders that TJI provide security for its costs before the matter proceeds further. While a date for the substantive hearing of the claims for payment has not yet been allocated, it is expected that it will take place in early 2012.

Related proceedings, in which TJI seeks declarations regarding the validity of performance bonds provided by TJI, are also before the Court and at this stage it is anticipated that this application will be listed for hearing around the same time.

In addition, in September 2010, TJI issued a Notice to arbitrate certain other claims under the contracts. The arbitration, which will be conducted privately and will also involve the hearing of various counterclaims by the Government, has yet to be progressed by TJI, but it is welcomed by the Government, as a forum in which the claims held by both parties can be resolved fully and finally.

Please note that due to this matter being before the courts it is *sub judice* and I do not believe it would be prudent to go any further than the answer provided which has been guided by the Government's legal team.

**The Speaker:** And that is in conjunction with Standing Order 22 (f)(vi).

Honourable Leader of the Opposition, in your absence, the Standing Orders were [suspended] to allow you to ask your fourth question this morning.

**Question No. 18**

**No. 18: Hon. Alden M. McLaughlin, Jr., Leader of the Opposition** asked the Honourable Minister of Education, Training and Employment: What provision is being made to provide lunch and other snacks to stu-

dents and staff at the new John Gray and Clifton Hunter School campuses?

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

**Hon. Rolston M. Anglin:** The new high school buildings will have facilities to cater for all students and staff. Each school will have a production kitchen on site that will provide meals and snacks for students.

Food prepared in the production kitchen will be delivered to food warming and serving areas within each house. Students will be expected to return to their house base academies to eat lunch or break.

Breakfast will be available before school in the main administration atrium area.

Staff may choose to eat with the students, within the staff room in each academy or in the Administration Building.

**Supplementaries**

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

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Thank you, Madam Speaker.

Would the Minister say whether or not these production kitchens are part of the original design or whether this is an additional feature which has been included since the new Administration took office?

**Hon. Rolston M. Anglin:** Madam Speaker, I will answer that now; there is another question that we hope to have also an answer sent down to the House for, very, very shortly. In fact, all the other questions very, very shortly, that touches on this same issue. But I will cover it here now, Madam Speaker.

This production kitchen is not a part of the original design. Madam Speaker, the shift (as I have updated the House in yet another previous statement) is such that we have now reallocated space within existing buildings to be able to deliver Home-Ec [Home Economics] as a full-fledged subject from Year 7 onward. The original design anticipated children working in a commercial kitchen alongside professional caterers. So, Madam Speaker, the Government took the view that as a life skill we needed to have the full traditional provision for cookery (as some would have called it), but Home-Ec.

The Government also took the view that we needed to be able to prepare all of our meals on campus. So, there is an addition to one of the buildings, and I believe it is the Design and Technology building which would house the kitchen that would allow for the preparation of meals on the school campus.

It should also be noted, Madam Speaker, that these campuses will, in certain times serve as hurricane shelters. So, the kitchens would be able to be used once the buildings are safe for such an eventuality.

So, Madam Speaker, I would refer Members back to my original statement. I honestly can't remember when that one was done here in the House (I believe it was sometime in March or April) that actually documents this entire aspect, and I apologise, I should have thought of actually having that statement with me as well, because I could have just read from that. But that explained the entire shift and change in focus in this regard, and the rationale behind it.

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

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** I thank the Minister for that, and ask him if he can give the House an indication of what the additional cost has been to provide these two new production kitchens for the two schools. How much has that added to the overall construction cost of the two campuses?

**The Speaker:** Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, the net additional cost should be somewhere in the region of \$156,000 for the modification in regard to how we have put back, in this Government's view, of how home economics should be accommodated. And an additional \$73,000 for the actual design work for the new kitchen. Everything else comes out to, at a minimum a net zero cost to Government because you will recall that the original decision to remove the commercial kitchen would have saved Government somewhere around three-quarters of a million dollars.

So, the net new cost in total is somewhere around, add those two numbers together (I am just adding on my feet) around \$225,000 for the design, build, the permits, et cetera.

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

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Madam Speaker, I thank the Minister for that. Can the Minister say if these new production kitchens involved or will involve the construction of new buildings, or whether these have been fitted in as part of the original design. Or are these new buildings?

*[Inaudible interjection]*

**The Speaker:** Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, I said it a little earlier, but I think the Member missed it. These will be added to building two, the Design and Technology building on the side of the building. We saw that as the most appropriate place to put it.

**The Speaker:** If there are no further supplementaries, that brings us to the end of Question Time.

I think we will do the suspension for lunch at this time. We will return promptly at 2.30 pm.

**Proceedings suspended at 12.52 pm**

**Proceedings resumed at 2.50 pm**

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

## GOVERNMENT BUSINESS

### BILLS

#### Suspension of Standing Order 46(1)

**The Clerk:** Suspension of Standing Order 46(1) to enable the Immigration (Amendment) (No. 3) Bill, 2011, to be given a first reading.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I move the suspension of Standing Order 46(1) to enable the Immigration (Amendment) (No. 3) Bill, 2011, to be given a first reading.

**The Speaker:** The question is that Standing Order 46(1) be suspended to enable the Immigration (Amendment) (No. 3) Bill, 2011, to be given a first reading.

All those in favour—

**Mr. D. Ezzard Miller:** Madam Speaker, is the motion open for debate?

*[Inaudible interjections and long pause]*

**The Speaker:** The motion was for the suspension of Standing Order 46(1). The motion has been moved. Does the mover wish to speak thereto?

Honourable Premier?

No?

Does any other Member wish to speak?

Member for North Side.

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

I wish to register my opposition to the suspension of Standing Order 46(1) to allow the Immigration [(Amendment) (No.3) Bill, [2011] to be debated in this sitting of the Legislative Assembly.

Madam Speaker, I received this Bill after 7.00 pm last night. To the best of my knowledge and in inquiries I have made, there has been no publication of this Bill either in an *Extraordinary Gazette*, or in a ga-

zette of any kind. And while I fully accept and understand that this Legislative Assembly under the provisions of Standing Order 86 has the authority to suspend any Standing Order under which we operate for a specific purpose, my concerns, Madam Speaker, lie in the fact that if this Bill is debated today, it will not meet the constitutional requirement of section 77(2) of the Cayman Islands Constitution Order 2009, in that it has not been published or circulated to Members 21 days prior to the start of this Meeting, which started last Wednesday.

And, Madam Speaker, I do not think that Parliament has the authority to suspend the requirements of the Constitution. And I am not aware of any particular urgency in the passage of this Bill which would allow it to rise to the portion of section 77(2) of the Constitution Order, which states that: “. . . **except in a case of emergency, every Bill introduced by the Government shall be published at least 21 days before the commencement of the meeting at which it is scheduled to be introduced.**”

Madam Speaker, the Government has announced, and they have appointed an Immigration Review Team (IRT) to review the aspects of the Immigration Law, some of which this Bill seeks to address. My concern is that if the Bill is passed by this House today by the suspension of Standing Order 46(1) it will not have risen to the constitutional requirement of being published 21 days before the start of this Meeting.

For that reason, Madam Speaker, I intend to vote against the suspension of Standing Order 46(1) to deal with this particular [Bill], the Immigration (Amendment)[(No.2)] Bill, [2011].

Thank you.

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

Leader of the Opposition.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Madam Speaker, the Member for North Side I think has, very ably, set out the objection to proceeding with this Bill this evening in this way. It is a constitutional point, and I believe one of some gravity.

I believe the Government would do well to consider whether or not haste is more important than the constitutionally passed piece of legislation. We believe, Madam Speaker, that there are going to be significant, or the potential for significant challenges to some of the changes that are proposed to the Immigration Law. I do not believe that it is in the best interest of this House, or in the best interest of the Government, or in the best interest of the Country to add to the issues by raising the potential now for a constitutional challenge by proceeding in that manner.

I should say, Madam Speaker, that a Bill of this importance, we would have expected, aside from the constitutional requirement of 21 days, that we

would have had some decent time to consider the matter. We only got the Bill yesterday.

Madam Speaker, I don't think I can add more to what the Member for North Side has said, than to say that we also endorse the position he takes and would urge the Government to be very careful, be very cautious about proceeding with this indecent haste in relation to this Bill.

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

Does the mover of the motion wish to reply?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I am not surprised at the attempt here today. It is funny how Members cry and sometimes challenge the Government to do something about an economy that is seriously challenged internally and impacted tremendously from external events. When the Government tries to do something about it they come up with all sorts of shenanigans.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Member for North Side might not like me saying “shenanigans” but I could term it a lot of things worse than that.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, section 77 of the Constitution did not envision that the Government would not be able to produce a Bill in haste if it needed to. The situation in this country today, demands that we make necessary changes.

There are opportunities for business that if we left it for another three or four weeks, we would lose. And there are opportunities that I cannot say on the Floor of this House because it is not wise to do so. This Parliament, or this Legislature, not a parliament—I keep saying that we are not a parliament, but anyway, call it what you want—we are a legislature that the UK has devolved some powers to. And we do have the power to suspend for an emergency.

What greater emergency do we have, than at a time when our economy is failing, businesses are losing and people are up and leaving because of a law, and we need to deal with that law? And the sensible way is to deal with it in as quick and an efficient way as possible.

I like the word from the Leader of the Opposition about being “cautious”. I am waiting to hear what they have to say about the Bill itself.

Madam Speaker, this is not 50 pages of a Bill; it is very brief. And anybody worth their salt would know in a night's work how to deal with this, particularly so when they all, I think, agree (at least maybe some of them over there) that it needs to be done.

So, to come now to say that they don't have time—that old familiar word that they use; they don't have "time". Time? On the 14<sup>th</sup> of September I made that announcement. I said it clearly what we were dealing with and the Bill speaks clearly to what I said on the 14<sup>th</sup>.

Madam Speaker, the Government can't really pay any attention to naysayers. Their attempt is to get us embroiled in a battle and a fight and then get up and say we didn't do anything. We would be real do-dos to sit down and take their advice, particularly when they talk about being independent and they [are] not with anybody yet, and they all join together every time they can oppose the Government. Blind Bartimeus can see the road that the Opposition is on. They are doing nothing but trying to stop the Government from getting anything done in this country. And I don't think it's all of them; it's some of them.

I don't know about any significant opposition to changes. And if there is opposition to come, the Government will have to meet it head on! I am not going to run and duck and hide by threats from people who get up one minute and say that the country needs something done, and when we attempt to do something, they are there on the side cussing Government and encouraging people to march and encouraging people in the wrong way!

I said a long time ago that the people who burn down the fire station are the people who stand on the sidelines and [ask], *Why isn't Government putting out the fire?*

So, Madam Speaker, it is late enough as it is; let us get on with the people's work.

**The Speaker:** The question before the House is that Standing Order 46(1) be suspended to enable the Immigration (Amendment) (No. 3) Bill, 2011, to be given a first reading.

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

**Ayes and Noes.**

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

**Mr. V. Arden McLean, Member for East End:** Madam Speaker, can we have a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 12–2011/12**

**Ayes: 8**

**Noes: 5**

Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour

Hon. A. M. McLaughlin, Jr.  
Mr. D. Kurt Tibbetts  
Mr. Moses I. Kirkconnell  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller

**Absent: 2**

Hon. Juliana Y. O'Connor-Connolly  
Mr. Anthony S. Eden

**The Speaker:** The result of the Division – 8 Ayes: 5 Noes, and two Members are absent.

Standing Order 46(1) has accordingly been suspended.

**Agreed by majority on division: Standing Order 46(1) suspended.**

## FIRST READING

### Immigration (Amendment) (No. 3) Bill, 2011

**The Clerk:** The Immigration (Amendment) (No. 3) Bill, 2011.

**The Speaker:** The Immigration (Amendment) (No. 3) Bill, 2011, has been read a first time and is set down for second reading.

### Suspension of Standing Order 46(2)

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move the suspension of Standing Order 46(2) to enable the Bill to be given a second reading.

**The Speaker:** The question is that Standing Order 46(2) be suspended to enable the Immigration (Amendment) (No. 3) Bill, 2011, to be read a second time.

Does the mover wish to speak?

Any other Member [wishes to speak]?

No?

Would the mover wish to reply?

[No audible reply]

**The Speaker:** The question is that Standing Order 46(2) be suspended to enable the Immigration (Amendment) (No. 3) Bill, 2011, to be read a second time.

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

**Ayes and one audible No.**

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

**Agreed: Standing Order 46(2) suspended.**

**SECOND READING****Immigration (Amendment) (No. 3) Bill, 2011**

**The Clerk:** The Immigration (Amendment) (No. 3) Bill, 2011.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I—

**The Speaker:** Honourable Premier.

Go ahead. Sorry, I just wanted to get your name into the records.

**The Premier, Hon. W. McKeeva Bush:** Thank you.

I want to move for the Second Reading of the Immigration (Amendment) (No. 3) Bill, 2011.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, on the 14<sup>th</sup> of September I made an announcement in this honourable House that I would be presenting a paper to Cabinet seeking approval to place a temporary suspension on the Rollover Policy for up to two years pending an urgent and comprehensive review of that policy by a Cabinet appointed Committee.

The Cabinet has approved the proposal, Madam Speaker, and the arrangement for the temporary suspension of the Rollover Policy. The Cabinet also approved proposals to introduce the ability for the Work Permit Board, the Business Staffing Plan Board and the Chief Immigration Officer, to grant work permits for up to 10 years for persons employed in occupations and industries that will be prescribed by the Government based on the economic needs of our Islands. The legislative changes which are required to give effect to the rollover suspension and the ability to grant the work permits are contained in the Bill before us.

Madam Speaker, Government is most concerned at the damaging impact that the forced departure of up to 5,000 foreign workers will have on our economy over the next 18 months as a result of the expiry of their term limit. We have also expressed our concerns on a number of occasions recently, Madam Speaker, that the Rollover Policy in general could be causing more harm than good.

This is not to say that the objects upon which the Rollover Policy was founded have disappeared.

But we believe that as it presently operates, the Policy is standing in the way of our economic recovery. To this end, Madam Speaker, we are implementing measures that will allow workers who have very recently reached their term limit, or who will reach their term limit in the future, to remain employed in the Islands, either for their present employer or a new employer, for a period of up to two years.

This will give us time to formulate a new policy. We are not rushing into it, Madam Speaker. They have a lot of time for that Committee to do its work. This will give us time, though, to formulate a new policy that will serve to advance rather than hinder our economic recovery whilst, at the same time, protect the long-term interest of Caymanians born in the Islands.

Madam Speaker, this employment will be authorised by a term limit exemption permit rather than a work permit, and any time spent working here on a term limit exemption permit will not count towards the 8-year residence requirement in order to apply for permanent residence. Any suggestion that we are creating another bottleneck of permanent residence applications is therefore unwarranted.

Further, Madam Speaker, once a worker has held a term limit exemption period for two years, they will be required to leave the Islands and they will not be allowed to hold a work permit for at least one year after they have left, unless, of course, they qualify to continue to reside under another provision of the Immigration Law.

I wish to emphasise, Madam Speaker, that, this new facility is not a rubber-stamping exercise. Each and every application will be carefully reviewed by the Board or the Chief Immigration Officer to ensure that the employer has made every effort to find a Caymanian who can do the job. Those requirements do not fade away.

Madam Speaker, in our consultation with various local private sector bodies locally and internationally, it has become increasingly clear that the uncertainty (in other words, the lack of security of tenure) created by the seven-year term limit is causing businesses that are highly important to our economy to relocate to other jurisdiction. And it is preventing companies that would otherwise be interested in establishing a business presence here from doing so. As a Government, Madam Speaker, we are not prepared to stand by and allow this to happen.

The Cabinet has therefore approved a proposal which has given effect in this Bill, which will allow the Work Permit Board, the Business Staffing Plan Board and the Chief Immigration Officer to grant and renew work permits for up to 10 years to persons employed in particular occupations and industries. Those occupations and industries will be chosen based on the best economic interest of our Islands, and prescribed by the Governor in Cabinet by way of regulations under the Immigration Law.

Clearly, Madam Speaker, this extended term limit affords those persons affected a much greater sense of security with respect to their tenure here. Their employers also can make business decisions with confidence knowing that they will be able to retain their most important employees. Most significantly, both for the employee and the employer, the worker will be able to apply for permanent residence after reaching year eight without having first to go through the key employee designation process.

The purported unpredictability of this component of the Rollover Policy has been an oft-repeated criticism, and is one that will be closely examined in the forthcoming review.

The proposed changes also allow for the spouse of a person who has a 10-year limit to continue to be granted work permits until the expiry of their spouses 10-year limit, or until the expiry of any period of time that they spend working by operation of the Law awaiting the outcome of a permanent residence application or any subsequent appeal. Their dependent children, of course, will be permitted to remain with the family throughout this time.

Madam Speaker, this extended 10-year term limit does not mean that work permits will be issued automatically. In each case the employer will have to show that they complied fully with all current requirements contained in the Immigration Law with respect to the granting or renewing of work permits. For example, that the employer has made every effort to identify and train a Caymanian for the position; that they have a genuine need to employ the worker; that they have proper training programmes in place for Caymanians.

My Government is of the opinion, Madam Speaker, that in return for the significant benefits which are now being offered to the industries and occupations that will shortly be designated, the benefiting companies and businesses should demonstrate their social responsibility by supporting long-term human capital development in our Islands by contributing financially to a national training initiative and, an increased employment programme. Madam Speaker, I should add, that the extent to which they contribute to a national training initiative, and the increased employment of Caymanians (because that has to go along with all of this) will be taken into account when considering applications for work permits for persons who enjoy a 10-year term limit.

Madam Speaker, the Government considers that the measures we are now taking will do much to alleviate the hardships that would be caused for local businesses as a result of losing so many workers from our workforce in the next 18 months, in particular the top staff, Madam Speaker—the people who spend money.

I am also confident, Madam Speaker, that the new work permit and the removal of the key employee designation requirement for our most important indus-

tries and occupations will act as an incentive for businesses to relocate here, and act as a disincentive for companies already established here and who we wish to retain here, to look elsewhere.

In closing, Madam Speaker, I should add that in the next few weeks the Cabinet will be considering a number of other proposals put forward by the Immigration Review Team (IRT), that will focus on creating incentives for inward investment and more streamline processes, and requirements for business visitors. And I would hope to share more on those proposals with this honourable House in the coming weeks.

Madam Speaker, we are doing the right thing and any scare tactic can be thrown in, as has already begun. But if we do not do something like this we are going to be in a worse shape financially. Others might have their side of the story to tell; let's hear what it is. I believe that we are doing the right thing all around in giving time and giving a committee of various expertise and laymen time to examine, cautiously examine, how the Rollover has and is affecting us. I do believe that these Islands, Madam Speaker, and those on the other side, had better be careful.

Our main industries are challenged. The competition is fierce. The regulation is fierce and we are meeting those challenges on the regulatory side. What we are not meeting is this side: How to keep the human resource here so that business will be retained here; confidence will be retained in what we have here and what we want to bring here. And that is why we suspended. I don't think I need to shout that from the mountain top. I think all of them on the other side recognise that we are trying to gather some business that is at hand and if we do not do this we will lose that opportunity and it will not come knocking again. This is another opportunity that we have as legislators to say this is the right thing to do.

**The Speaker:** Thank you, Mr. Premier.

Does any other Member wish to speak?

Leader of the Opposition.

Oh! You are yielding to the Member for North Side?

Member for North Side.

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

Madam Speaker, I listened carefully to the Premier's presentation on the Bill and I still remain to be convinced of the urgency in bringing the Bill.

The Bill is brought to suspend the Rollover Policy, which we have been told by him and others, in particular, the financial industry, that the problem with the local economy has been, is, and continues to be solely an immigration issue. But, Madam Speaker, this Bill before us goes substantially beyond the simple suspension of the Rollover Policy, which is dealt with in clause 8 of the Bill by the introduction of a new section to the Law 52(8) which introduces a permit called a "Term Limit Exemption Permit."

Madam Speaker, section 6 of the Bill introduces a 10-year permit for categories to be named by Cabinet and published at a future date, depending on the identified needs of specific industries as they are presented to the Cabinet.

One of the questions I have about this new 10-year permit is: Will these persons be allowed to apply for permanent residence in year eight as provisions in the current legislation provides? Because I believe that the current legislation allows anyone who happens to be here on a work permit for seven years and gets a year eight or a year nine currently under the key employee designation, is allowed to apply for permanent residence in year eight.

And it also introduces five-year work permits for domestic helpers, teachers, doctors, nurses and ministers of religion. **“Five year to workers for positions authorised by the Board in a Business Staffing Plan Certificate . . .”**

Now, Madam Speaker, since I have been here from May 2009, because of the Law being of special interest groups in the country . . . and that is normal and to be expected. That is how most laws are changed and amended—by the special interest groups coming to the government and asking for specific amendments to legislation that affects them and there is nothing wrong with that. That is the process that should be followed. But we were told that people needed security of tenure and we introduced, I think it was a 25-year residency certificate for these, who, one of the members of this industry claims, are high net-worth people—and we have 14,000 of them, according to him—who are leaving urgently. But it is persons like me, he claims, and my xenophobia, that is causing the problems in the economy.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** You know who said it *[addressing the inaudible interjection]*.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Madam Speaker does not like us to call names so I will tell you quietly who he is *[addressing the inaudible interjection]*.

*[inaudible interjection]*

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

**The Speaker:** I do not like you all to speak across the Floor either, address it through the Chair.

**Mr. D. Ezzard Miller:** I'm talking to you Ma'am. Anything I say I am speaking to you, Ma'am.

**The Speaker:** Really?

**Mr. D. Ezzard Miller:** Yes Ma'am.

**The Speaker:** Well I am here.

**Mr. D. Ezzard Miller:** It is a fact that you as Speaker do not like us to call the names of people who are not here to defend themselves. That is a fact and I am accepting that and abiding by it.

But he wrote an article recently in the *iNews*, and it has his picture attached thereto.

Madam Speaker, I make no apology for my public stand and advocacy for Caymanians who must be given opportunity in this country, to him or anyone else. Madam Speaker, I have one vote in this Legislative Assembly and it is highly unlikely that that one vote can stop the Government from doing anything that it wants to do. Suffice it to say, Madam Speaker, that to the best of my knowledge, that economic savings amendment to the Immigration Law has not resulted in any thousands of people coming here and taking up residency and investing in the country, that I am aware of. The information I have is that there may have been one application since it was done. I could be wrong.

Then, Madam Speaker, we had the complaint that what was wrong in the economy was that we could not get good people to come here any longer, particularly in the financial industry because they had no security of tenure. So, the Government issued a directive to the Immigration Board, which basically said that anybody in the financial industry who applied for key employee designation should be given it unless the Board could prove that there were Caymanians willing and able and qualified to do the position. And the onus [was] on the Board to find a reason to refuse the application rather than the onus being on the applicant to demonstrate that they were entitled thereto.

Madam Speaker, the information I have is that the approval ratio of applicants who applied for key employee has been greater than 90 per cent. But we are still being told that it is Immigration causing the problem with the economy.

Then, Madam Speaker, we took care of the lower end of the work permits by creating the special consideration for caregivers. So, Madam Speaker, the question is: Where are these big piles and thousands of people who are going to leave here and create this great vacuum in the economy over the next several months? Because, Madam Speaker, again, the information I have is, that most of those people who have a work permit and decide to leave the country on their own volition, make sure that the ads they place, eliminate most Caymanians and they get another work permit to fill it.

We know, Madam Speaker, that we do not have enough qualified Caymanians to fill all of the positions. But, Madam Speaker, the most disturbing thing to me when I speak particularly with young

Caymanian professionals, is their belief and their lack of hope and their parents' hope that they can get jobs for which they are qualified in Cayman as Caymanians. And, Madam Speaker, far too many Caymanians, in my view, are coming back here, having received their academic qualifications and their professional qualifications, and can't get interviews.

They come to me, Madam Speaker, and say, *Mr. Ezzard I don't understand, all of my friends from college have been headhunted by American corporations for the last year they spent in college offering them jobs and incentives to come and work for them. I come back to Cayman qualified, have my academic qualifications, have my professional qualifications, I go around to these financial institutions and it's like I am committing a crime for submitting my application.* Most of them don't even get the courtesy of an interview.

Madam Speaker, that is a greater threat to the stability and continued economic prosperity of this country than any non-Caymanian here on a work permit leaving this country because we did not renew their work permit. When the parents of young professionals and the young professionals themselves do not have the hope that their children—having been qualified—can get jobs, and then you add to that, Madam Speaker, the fact that in the industry a huge percentage of qualified, experienced Caymanians are underemployed. They are being employed at levels below that for which they are academically and professionally qualified and have the experience, and are constantly having to train people on a work permit who are brought in as their supervisors, as their managers, as their CEOs, who know less about the job than they.

Madam Speaker, I heard the Premier saying that this new initiative is going to demand so much more from these people who benefit from it. Madam Speaker, we cannot enforce the laws we have on the books now which very clearly state that if a Caymanian is qualified for a job he must be given the opportunity to get the job. That is the genesis of all of the Immigration Laws and its regulations, other than those which are related to border control.

Madam Speaker, just like how these employers find a way around that now, they are going to find a way to abuse this against the promotion and betterment of Caymanians in the workplace. And, Madam Speaker, unless you have sat with the immigration officers or on that Immigration Board, your imagination, regardless of how fertile, cannot possibly imagine the schemes that these managers, CEOs on work permits in this country, or who have been given status, will go to, to ensure that a Caymanian does not get the job.

I have been privileged, Madam Speaker, to have been the chairman of the Immigration Board for 15 months, and I was astounded at some of the things that the people who we welcomed to this country to be part of our economic miracle—who are benefitting

more than us—and the extremes that they will go to in order to make sure that some friend from their hometown gets a job, and can go sailing with them, who can go to Rum Point on a Sunday with them, who can go to Sunset House on an evening and drink with them and eat the *hors d'oeuvres*.

Madam Speaker, I have serious concerns of locking up jobs in this country to which Caymanians should aspire, can aspire, and should be given the opportunity for 10 years at a time, with no possibility of the Caymanian getting the job unless the work permit holder decides to go on to greener grass somewhere else.

Madam Speaker, I know it is difficult for the Immigration Department to produce specific statistics of how many people have actually been rolled over as a result of this seven-year term limit, because many people getting to that, move on before that, and it is hard to specifically say this person left because they were deliberately rolled over by the Immigration Board. But I would hazard a guess, Madam Speaker, that, it is not as many as people think there are.

You cannot simply take the number of permits which existed in the boom years post [Hurricane] Ivan, as 25,000 to 28,000 (whatever the number was), and subtract what exists today and say that all of these persons have left because of the Rollover Policy, particularly in the financial industry with the most recent international meltdown. Many of the banks have downsized, many of them are getting into mergers, and many of them have concentrated their business in countries where they can get maximum bang for their buck.

Madam Speaker, one of the situations that I hear trotted out quite frequently, is that one of the banks had an employee rolled over and she moved to one of her competitors and all the business that she had moved with her. And that move was because of the Rollover Policy. Now, Madam Speaker, the information I have is that that is not so. First of all, the person was rolled over at the request of the company because she was causing some difficulty with the locals in the company. It just happened that within a few months of the company getting a work permit for her in another jurisdiction, the company took the decision to move that particular little niche of business and concentrate it in another territory.

Madam Speaker, you know I have said in many forums that the problem with the Cayman Islands' economy is not immigration, immigration, immigration. There are many other factors.

Madam Speaker, in a publication quite recently, talking about the quality of life, the best economic potential, best infrastructure, best business friendliest, best foreign direct investment, best cost effectiveness, best human resources—all of the things which go into the mix of making a jurisdiction attractive to business—the Cayman Islands was not mentioned. Could not even make one of the 10! Those are the things,

Madam Speaker, because we have plenty of which to brag and attract businesses to this country.

There are not too many of our competitor jurisdictions that you can go in and immediately buy land, immediately buy a car, you are not forced to wear a short pants and ride around on a motorbike. There are not too many places that you can enjoy the weekend all year round, 365 days a year, because even if there is a Northwester blowing on Seven Mile Beach, there is good weather in East End. And they can enjoy the life of leisure and quality that they can enjoy in Cayman. And we have plenty good things to sell to these people. And we have to stop making them come here and tell us that the problem is our immigration [policy] and we need to amend it to suit them so they can take over the country politically! Because that is what is happening!

Madam Speaker, it is not too far in the future. In fact, I will predict that by the 2017 elections there are going to be second generation non-Caymanian nationals from particular countries who will be sitting in this Parliament because each of their ethnic groups will have enough to elect them. And our Constitution says you have to be born of one Caymanian parent. If one parent gets status, you born here, you can come here and sit in my seat.

This country, through its generosity, most people—like the writer of that article in *iNews*—wrongly credits as stupidity. But our generosity allowed these people to come here and gain economic control. You know something else, Madam Speaker, not all of these people here who are coming on these work permits are bringing any a pile of assets or investment in the country you know. When that one came here he could not afford to buy a decent car, he had to buy a Volkswagen that did not have any bottom in it. And when it rained his foot got wet and his pants leg too! But now he is telling us what is best for our country and how we must change our immigration laws so that his friends can get the same benefits that we gave him out of our generosity, criticising people like me for standing up and saying that Caymanians must be given an opportunity in their own country.

Madam Speaker, no Caymanian given an opportunity and messes up on the job gets any sympathy from Ezzard Miller, you know. If you go in there and you do not do the job and you don't do it properly and you do not do it to the employer's satisfaction and they fire you, don't come knocking on my door. But when you are not allowed the opportunity through Immigration amendments like this which limit your opportunity just by sheer numbers, Madam Speaker, somebody has to speak up for the qualified, educated Caymanian who, in most cases, had to travel overseas, struggle in another culture to get the academic qualifications that these people say we must have. Once they get in charge of the boardrooms as they have been for the last 10 to 15 years, certainly, they

set the standards and most of them set the standards above what they had when they came here.

So, Madam Speaker, I do not hold any great hope that this Bill today is going to be any economic miracle for the Cayman Islands. First of all, Madam Speaker, all of these people that we are not rolling out are already here. And if they leave I will bet my dollars against your donuts that they are going to be replaced by a non-Caymanian in 95 per cent-plus of the cases. And even the Caymanians who are presently working in the institutions under these people who might be rolled over—who taught them the job—are not going to be given the opportunity to step up and do the job. Madam Speaker, that is my concern.

I understand that one financial institution, because they were going to roll over a number of secretaries had actually recruited a number of Caymanians to fill the posts. But as soon as it was announced here that we were going to allow these people to stay another two years, they informed the Caymanians who had been hired to replace these, that they would not need them after their probation period was finished.

Madam Speaker, I repeat: we have to be careful. You can check the history, Madam Speaker, it is not the poor, the disadvantaged, and the idiots who cause revolution in their own country, it is the educated professionals who play on their mind and cause the revolution, because the professionals are being disadvantaged in their own country.

Now, Madam Speaker, to talk specifically about my concerns with the suspension of the Rollover and what the current Bill does with the introduction of the "Term Limit Exemption Permit"—

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** *TLEP (Term Limit Exemption Permit) Sounds good—TLEP [addressing inaudible interjection]*

Fifty-two A. [(1)] **“Notwithstanding section 52 and subject to the provisions of this section any employer or prospective employer may, in respect of any person- (a) whose final work permit expired within thirty days prior to the appointed date . . .”**

Madam Speaker, that is the first problem I have: Why is it necessary to make this piece of legislation retroactive 30 days from the day it is passed? What category of this . . .

And, Madam Speaker, you know every time the figure is published it is different. Some say 6,000, some say 5,000, some say 3,500 are being rolled over. One got it as high as 14,000, but all of his, of course, are high net-worth; there are no low income people in that. And again, Madam Speaker, I would question in the whole economic situation we have in Cayman on our total workforce, which is probably somewhere in the region of 35,000, that it is possible to have greater than 30 per cent of the persons who

can be described as high net-worth. That pyramid usually gets a lot narrower as it gets to the top. But anyway, he may have information I do not have.

And if you have not applied for PR (Permanent Residence) you can get this two-year extension, TELP. Or [b] all of those, **“who at the appointed date is working by operation of law, having applied for key employee designation and such application is subsequently refused, . . .”**

Now, Madam Speaker, this key employee business, when it was brought out in the 2003 legislation, it was my understanding that that specific provision was to allow the country to select the best of the best of who was here on work permits and give them the opportunity to apply for permanent residence and Caymanian status, and we keep them here!

And if my numbers are correct, that it is somewhere around the 90 per cent in the financial industry that has been approved (don't know what it is on the other industry), if all of those people now who applied for key employee and did not meet that broad spectrum . . . because, Madam Speaker, if you apply for key employee status under the current Immigration Law and you do not make it under one of those requirements, something is seriously wrong. Because the caveat at the bottom of that lot talks about, [Section 49 (4)(f)] **“there exist other economic or social benefits to the Islands by virtue of securing or retaining his specialist skills or expertise; . . .”**

Now, Madam Speaker, it has to be difficult if you apply for key employee status and you cannot be [Section 49 (4)(a)] **“ . . . recognised as having particular expertise in his field of practice, trade or employment and . . . there is difficulty in attracting such persons to the Islands and retaining such persons within the Islands;”** Madam Speaker you only have to meet one of these. You do not have to meet them all. There was only two persons whom I recall advocated that each one of these should have been and, and, and—and that was me and another well respected Caymanian member of the financial industry. Because my position has always been that to get key employee you should have to meet all of these, not just any one of them.

**“[(b)] he is a professional employee whose expertise and skills are in short supply globally and are not available in adequate measure in the Islands and it is of economic and social benefit to the business or the Islands to attract such skills to the Islands;**

**“[(c)] his business contacts are, or will be, of importance to the continued success of the business or its contribution to the Islands; or**

**“[(d)] there exist other economic or social benefits to the Islands by virtue of securing or retaining his specialist skills or expertise.”**

Now, Madam Speaker, not to be flippant but my Akita Dog could meet that because I buy dog food

for him and that is a contribution to the economy. Right?

So, we are now opening the door through this Bill before us for people who do not meet either of those criteria to be given a TLEP to stay here another two years.

You would think, Madam Speaker, that anybody whom the Board turned down, it could not be that the person did not have skills, et cetera, et cetera, et cetera, it had to be some other underlying causes, whether character or otherwise, that they were denied. But that does not matter. They can now get a TLEP to be here another two years and keep the Caymanian understudy from being promoted and increasing his economic contribution to his own country by having more money to spend.

Madam Speaker, I know that we are putting legislation here, and I have been told by the lawyers around these Halls that you can legislate out of anything. But, Madam Speaker, most of that is going to be subject to a court of law. And even the Chairman of the IRT [Immigration Review Team], in her public pronouncements on this matter, has said that it is likely to be difficult not to give these people credit for two years' residency, having given them a TLEP, before our local courts much less the more liberal European Courts to which they have direct access.

Madam Speaker, by my calculation these TLEP people can be here another four years, because, as I understand it, they can appeal if the permit is not renewed for the second year. And we know that most of the appeal processes take two or three years because we will still have people here operating under operations of the Law, because their appeal processes have not been completed, even though this Law that we are talking about came into effect the 1<sup>st</sup> January 2004.

And we are going to tell them that they can stay here for two more years, they can work, and they can tie us up in the appeal process, because, Madam Speaker, they know all of the tricks. They are sending half of their paperwork with the application. It takes six months before they get to it because the backlog is so high. They get a letter back saying that they need three more pieces of paper. They send two more pieces, that's another year, and they keep working the system. And we are going to let them stay here and then we are going to tell them, *Sorry, these three or four years of your life must just disappear.*

I don't think that is going to stand up well in court, Madam Speaker. But, again, as I have said, I can only give my interpretation of the Bill that I was given less than 24 hours to study and speak to.

The most troubling part of this, Madam Speaker, is that these TLEP people can change jobs and can be promoted. Now, Madam Speaker, if we are doing them a special favour and saying, *Look, you came here seven years ago. You knew what the rules were, your employer knew what the rules were, your*

*employer has kept you here for the seven years, he has made no plan for his company to replace you . . .* So, if he has 120 [persons] who need to be replaced next year, suddenly that is our problem as legislators? That is bad management! That is his problem! And he should have dealt with it. So, we are going to bail him out, we are going to give him a TLEP and we are going to allow him to promote the people, again denying opportunities for Caymanians, while they are on this generous two-year addition to the permit.

Madam Speaker, having considered in my view, the detrimental effect, the number of opportunities that are going to be denied to qualified professional experienced Caymanians of the opportunity to get entry level jobs, the opportunity to get promoted, by bailing out bad managers who had at least the last two years to have cycled these people out, and the ones who would have been seven years would have been coming back now to their company to continue for another seven years, the Government is certainly . . . we are going to bail them out. And the possibility exists that down the road we are going to have to disperse an unusual number of PRs (Permanent Residents). And PRs mean status, and status means the right to take political control of this country.

And, Madam Speaker, the other thing is this: The Government has appointed an Immigration Review Team, but we are legislating all of these things before the team even meets! And every newspaper I pick up, every news thing I look at, the IRT is dancing around about how this thing is going to work, trying to make things look reasonable.

We say we are worried about the 5,000 people leaving, but we are going to selectively decide who out of that 5,000 does not leave under this legislation, by some process that is not clearly identified in the legislation itself. So, we are not really concerned about the whole economic impact of these people leaving, we are only concerned of the economic impact that we choose to have by the amount that we give.

So, Madam Speaker, under those circumstances I cannot support the Bill. Thank you, Madam Speaker.

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

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Leader of the Opposition.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, despite our objection to this matter preceding in the way that it has, because of the constitutional issues, and because of the lack of notice, and because, Madam Speaker, we do disagree fundamentally with what the Bill proposes, I would not want the Premier or the Government, or any within the

sound of my voice, to conclude that we do not know, we don't understand and we don't agree that major changes are necessary to the Immigration legislation, and that we need to address concerns which have arisen in relation to the application of the Rollover Policy.

Madam Speaker, it was only on the 15<sup>th</sup> June of this year, in the course of the Opposition's response to the Budget Address and Throne Speech, that I took this issue head on and, Madam Speaker, somewhat controversially, suggested that we needed to do away with the present Rollover Policy, and to substitute for it, a much clearer, much cleaner, and much more efficient process.

Madam Speaker, our principal objection to what the Government is doing or, I should say, how the Government is going about this, is that we believe that in their efforts (laudable though they are) to address the concerns that arise from the continued application of the Rollover Policy, particularly in the present economic environment, they are going to make what is a bad matter, worse. This idea, Madam Speaker, of suspending key provisions of the legislation and then saying that, as the Chairman of the IRT [Immigration Review Team] has said publicly, recently, that there is . . . and I'm going to quote from an article on [Cayman News Service](#) of the 27<sup>th</sup> of this month.

**The Speaker:** Do you have a copy of this article? Or are you going to quote from it extensively?

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** I'm just going to quote a few lines, Madam Speaker. If we need extra copies we can have them made.

It simply says, Madam Speaker—and this is attributed to the Chairman of the IRT, Mrs. Sherri Bodden Cowan: **“The suspension of rollover, announced by the premier in the Legislative Assembly earlier this month, will give government breathing space in which to ‘tweak’ the law, . . . But it is unlikely that the law will fundamentally change in the long run. Since the key employee aspect of the law is not working, this is where the focus will be. Bodden-Cowan said the controversial seven year term limit, or the rollover provision, was a sound one which should have introduced a system of progressive rights to permit those individuals felt most needed to build the country to reside permanently in the Islands.”** [‘Key’ not working, *Cayman News Service*, 27 September 2011]

And so, Madam Speaker, we get a glimpse into the way this is supposed to evolve. We are going to suspend the present provisions because, according to the Premier and the Chairman of the IRT and various other persons who have become experts on this issue, like Mr. Travers and so forth, that this is critical

that we do this now, we suspend the Rollover provisions of the Law. And then it seems, Madam Speaker, at the expiration of two years these provisions will again come into force. And they may have been tweaked, as I think the Chairman of the IRT said in that article, but essentially we will still have this Rollover Policy. Madam Speaker, that is, in our view, absolutely the wrong way to go about this process.

The Government has been in Office for 28 months. Even though it was an earlier dispensation of the UDP Administration that introduced the present Immigration Law in 2003, they have campaigned consistently over the years about how disadvantageous the Rollover provisions of the Law were and how, particularly the Key Employee provisions were not working and were not being applied properly, and that in large part that was due to the policy of the then Administration—which was the PPM Administration—and that is why none of this was working.

I say that, Madam Speaker, to bring home the point of the issues and concerns about the Rollover Policy, is something that has been very present, publicly, in the minds of the major players on the UDP team for years and years and years and years. Quite how we get, 28 months down the track of this Administration, with an Immigration Review Team that has been in place for at least two years—

**Mr. D. Ezzard Miller:** And of which I am not a member.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:**—and suddenly we have a national emergency which requires, Madam Speaker, the invocation of the emergency provision in the Cayman Islands Constitution Order 2009 relating to notice on a bill, because, if we do not act urgently, there is going to be a mass exodus of thousands of employees . . . when did we discover that?

When did we discover that there was going to be this mass exodus and that as a result the already fragile Cayman economy is going to collapse?

Madam Speaker, I know a great deal of effort has gone into selling this idea, but, Madam Speaker, as cheaply as it is offered, I can't buy it. I can't buy it.

Madam Speaker, what is said in this House is kept in the *Hansards*, so someone will be able to come back and look at this in time to come. But this, Madam Speaker, is, I believe, one of the most irresponsible approaches to a national policy matter that I have encountered in the almost 11 years that I have been in this House. Immigration is a major, major issue! And to adopt the approach that we are going to suspend key provisions of the legislation for them to alight again in two years hence in some reincarnated form, to ignore the implications of what is being done now without viewing the long term is, Madam Speaker, irresponsible in my view.

Madam Speaker, one of the most curious things that I heard as this has been presented to the country over the last couple of weeks, is that we are going to suspend the Rollover for two years from the date this legislation is passed (the Rollover provisions) while the Law is looked at, and it is hoped that a report will be produced in six months. But this Administration . . . well, I should not say this Administration, but the present term of this Administration has less than two years to run. So what is essentially being proposed is, *Listen folks, we are not going to deal with this problem, at least not in this term. Somewhere down the track whoever is in office is going to have to deal with the fallout, with all the consequences intended and unintended which flow from suspending key provisions of the legislation and what happens thereafter. But it won't be us. So you know what business community? You don't have to worry while we are in office, the Rollover provision of the Law won't apply to your employees. But you know what? Locals who are worried about the long-term implications of the Immigration policy, we are not making any decisions about that so you do not have to worry too much about that now; we are not going to make those decisions now.*

It is, Madam Speaker, the classic case of indecisiveness on a key national issue.

Madam Speaker, I have been around this immigration issue for many, many years—long before I came to this House, when I was a President of the Bar Association, and even before I was president, when we were looking at Immigration reform back in the early 90s. I have been on I don't know how many committees and so forth looking at this issue. And I was a member of the first Immigration Review Team which produced the report in 2001, which formed the basis of the present legislation. And so, Madam Speaker, I am not seeking to divorce myself from what is there.

The IRT at the time and the Government—in fact, the two Governments—that deal with the matter, were all of the view that a reproach had to be adopted which would provide certainty, fairness, and which would provide a system of progressive or graduated rights. And, that we could not continue to go down the road where persons would be allowed to stay here for indefinite periods of time and accorded no form of security of tenure; where we continued to have lots and lots of children born in Cayman who did not have the right to be Caymanian, who grew up here, talked like Caymanians, became culturally Caymanian in every respect, but at the end of their school life they could not get a job and because they were not Caymanian, they had to apply for a work permit.

All of us in this House know full well that there were significant numbers of persons who fell into that category for a long, long time, and a big part of the purpose of this legislation was to try to fix this problem. And by and large the present regime has sorted

that out; but it has sorted it out at a considerable price and a price which I believe we need—as the Government believes we need—to reevaluate. So we are *ad idem* about a whole lot of those things. My big problem is the approach that is being adopted in trying to resolve these particular issues.

Madam Speaker, the Rollover Policy as we know it, the key employee provisions, in particular, of the legislation, have been proven to be inadequate. In fact, the key employee provision, I believe we can say categorically, has failed. We don't need two years of looking at the Law to tell us that. Experience since 2003 to now—eight years, in fact, almost nine (because the Law came into effect on the 1<sup>st</sup> January 2003)—

**An Hon. Member:** No, no, 2004

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Two thousand and four—I stand corrected. Two thousand and four. It was passed in late 2003 and it came into effect on 1<sup>st</sup> January 2004.

We do not need anybody to look at this and tell us that we have major problems with some of these things.

When the PPM took Office in May 2005, one of the first things we looked at was the Immigration Law, which at that time had been operating for just over a year and already experienced that practice had identified that there were major issues with the key employee provisions; that there were major issues and concerns about the two-year break that was required when a person was rolled over. And so, we worked at that, and in 2006 we brought to this House, some amendments which we thought, we hoped, I believe improved the situation as far as the key employee provisions were concerned and reduced the two-year break to one.

I do believe, Madam Speaker, that that improved things. But notwithstanding that, the complaints continued, and continue about the operation of the Law, particularly with respect to those two things.

So, Madam Speaker, what the IRT has been doing for the last two years, if not focusing on these key issues of concern, I don't know. And quite why it is now a national emergency—28 years [*sic*] into the Government's term—

**Mr. D. Kurt Tibbetts:** Twenty-eight months.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Twenty-eight months, sorry. Lord forbid if it be 28 years!

[laughter]

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Quite why it has become a national emer-

gency at this point in the term is still a mystery, I think, to anyone who has been associated with this matter.

We all know that these have been major issues. But, Madam Speaker, why we now adopt with all of that background, an ad hoc approach to dealing with this instead of accepting the lessons we have learned in almost nine years and doing what virtually everybody knows we need to do to resolve the problem, I'm not sure.

Despite the broad support for doing away with the Rollover Policy, and so the embrace of the suspension by the business community, by and large, they do have major concerns about the uncertainty this creates. As one senior person in the financial services sector said to me just recently: *So what is going to happen after two years? Do you know?* I said, I don't know. *Because* (he said), *at least with the present system we have there is certainty. We know that people are going to be rolled over at year seven; now we don't know. And there is nothing like uncertainty that creates real issues for us in business. In being able to plan how we are going to grow our businesses, we need to have certainty.*

This piece of legislation, while it creates relief, it opens a relief valve as far as those persons who are approaching the seven-year term limit and gives them another couple of years, it also creates real uncertainty about what happens thereafter. This, Madam Speaker, is, in my view, entirely unnecessary. We can, with the experience we have, and the significant number of people who are now schooled in the Immigration Law and its application in Cayman, fix this problem and fix it quickly.

When I proposed on behalf of the Opposition the way that we thought this should be approached in June, Madam Speaker, I suggested that we could resolve this issue in three months. But those three months included a significant period of intense consultation. There has been no consultation about the Bill before us, that I am aware of, at least (if it has been done, it has been done very quietly). So, Madam Speaker, if we decided that we knew what the answer was, then we would not need three months.

Those, Madam Speaker, who are charged with the difficult task of turning government policy into legislation, and do so admirably in most instances and under tremendous pressure, have produced a Bill very quickly, which is now before the House. Given the complexity of the system that is being adopted by the Government to deal with this in the creation of some brand new things like term-limit exemption, permits and so forth, what we proposed, or some version thereof, would be much easier to draft and create legislation.

So, Madam Speaker, if the Government had the will, if the Government had the courage to deal with the matter (I can't say once and for all because these issues are always evolving), but to deal with this issue comprehensively, this could be done, Madam

Speaker, in six weeks, two months, tops, leaving out an extended period of consultation. Because, Madam Speaker, once you come to the view that the key employee provisions are not working, then surely the answer to that is, we repeal the provisions that involve the grant of key employee status.

And if you conclude, as has just about everybody that I have talked to in the business community, that this term-limit issue is a real psychological issue, as far as many employees are concerned, and you decide to do away with term limits, then the matter becomes much, much simpler and the concept becomes that much easier to develop, to design and to ultimately produce the legislation.

Madam Speaker, what the Opposition proposed back in June, and what we are today urging on the Government, notwithstanding the Bill that they have before the House, is this . . . and, Madam Speaker, I will simply read from the *Hansards* of the House, 15<sup>th</sup> June 2011, what I said on the occasion of the debate on the Budget Address and Throne Speech (page 19 of the unedited *Hansard* of 15<sup>th</sup> June). It is very short, Madam Speaker:

**“We propose, Madam Speaker, that the present legislation which imposes a seven-year term limit on all work permit holders except those who are key employees be repealed. We also propose that the concept of key employees be repealed. In the place of these provisions there should be a general provision which provides that all persons on work permits are entitled to apply for permanent residence after they have lived in the Cayman Islands for eight years, and that they must do so by year ten if they wish to remain in the Cayman Islands beyond that point.**

**“Applications for permanent residence should continue to be considered and determined on the basis of a point system. Not everyone who applies for permanent residence can expect to be granted it, and I want to make that clear. But we believe we should not set the bar for permanent residence so high that only professionals and managerial persons can ever hope to achieve it; nor should we set it so low that just about anyone will qualify. Those who are granted permanent residence must have demonstrated that they have a real commitment to this country and that they have the capacity to be good contributing members of the Cayman society and have the means to look after themselves.”** [*Official Hansard Report*, 15 June 2011, p. 47]

And so, Madam Speaker, our proposal is simple and straightforward. We do not have to worry about key employees and who qualifies and who does not qualify, because, again, one of the big problems with the key employee bit is that the employer gets to decide who gets to stay here long enough to qualify to apply for permanent residence because it is the employer who makes the application for key employee

status. The benefit of getting key employee status (for those who might not quite follow all of this), is that you get to stay beyond the term limit. You get to stay long enough to be able to qualify to apply for permanent residence.

If you do away with all of that and put everybody on the same level playing field in which you say, *If you stay here long enough to reach eight years*—because you might not stay. You might not stay because you don’t want to stay. You might not stay because your employer does not want you to stay. You might not stay because when the application was made for the renewal of your work permit it was determined that there was a Caymanian who could do your job. So, it does not mean that everyone who comes into the system is necessarily going to stay on to year eight.

But if you stay here until year eight and you are on a work permit, regardless of whether you are the CEO of Butterfield, or you are a lowly gardener, you get to apply for permanent residence. And if you meet the criteria set out in the point system and the point system is where we can actually do . . . (I hate to use this term, because Dr. Frank will say I stole it from him). Here is where we do our social engineering: We decide what the criteria should be to qualify for permanent residence. And so we set the bar to where we want it. We say what the criteria should be—you know, how much weight is given to your contribution to society, how much weight is given to the kind of work you do, how much is given to your net worth, and so forth and so on.

But everybody who is here on a work permit and gets to year eight can apply for permanent residence. Not everybody is going to get it; but everybody has an equal shot at it.

And we also provide, Madam Speaker, that if you want to stay beyond 10 years you must apply by year 10, because we cannot, Madam Speaker, in my respectful view, ever go back to that old system where you stay on here *ad infinitum* with no form of security of tenure. If people are going to stay here for extended periods, certainly periods beyond 10 years, there must be some security of tenure. And we should preserve the progressive rights, provisions that are in the Law which ultimately allow people to move on to apply for Caymanian status.

Because if we are to ever get an integrated society we have got to allow those who stay here long term to actually be able to participate in all of the civic rights, duties, and responsibilities of those who are part of a community, of a country, of a nation.

So, Madam Speaker, that is our proposal, plain and simple. There is no need for all of this convoluted stuff about creating term-limit exemption permits and new definitions about cutoff dates and the creation of ten-year work permits and all of these wonderful things. There is no need for all of this consternation about what happens to those persons who

are at year six or year seven and, therefore, get into their 8<sup>th</sup> and 9<sup>th</sup> year during the suspension period. We don't have to do fancy footwork with the legislation and say that even though you are a resident in the Cayman Islands lawfully, that that does not count in relation to the residency requirement relating to time to apply for permanent residence.

Madam Speaker, I have read—

#### **Moment of interruption—4.30 pm**

**The Speaker:** I'll just pause for a minute to take a motion either to adjourn or to continue the House.

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we are going to continue for at least another hour, and then we will take the adjournment, or suspension, at that time and come back to finish some of what we are doing now. That is the indication I gave Members earlier.

I am not going to suspend now. I said we will carry on for another hour. So I will move the suspension to allow business to go on after 4.30, and we will continue on until 5.30, and then we will come back at 7.30.

**The Speaker:** The question is . . .

Can I have the relevant Standing Order, Madam Clerk?

The question is that Standing 10(2) be suspended to allow the business of the House to continue after the hour of 4.30. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

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

**The Speaker:** Honourable Leader of the Opposition, please continue.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Madam Speaker, I was saying (when I started to get a frog in my throat and then we moved on to the suspension of the relevant Standing Order to allow debate to continue beyond 4.30) that if we adopted the simple straightforward approach, which I have articulated on behalf of the Opposition on a number of occasions now (and certainly this is twice in this House), we avoid having to do all of the fancy footwork and creating the legal fiction that you are lawfully a resident, but you are really not resident for the purposes of the Law, with all of the potential that that brings for legal challenge on a number of fronts. I cannot, Madam Speaker, quite understand why the

Government would expose itself and the country to that possibility when there is a much simpler way of achieving what all of us agree needs to be achieved; a more business-friendly environment, a simpler immigration regime, one that has, certainty, equity and, Madam Speaker, if I may say so, a progressive outlook in which people will understand very well what is possible and not possible when they come to Cayman to work over the long term.

Madam Speaker, this legislation, as I see it, is going to create major uncertainty in the short term and real problems long term when we try to re-impose a new or a modified Rollover Policy and legislation.

Madam Speaker, to echo some of the concerns expressed by my colleague for North Side about the seeming belief of the Government, that the Rollover Policy—aside from the PPM. Of course, we are number one, but aside from the PPM—is the root cause of much of the problems that the country is experiencing from an economic standpoint. Madam Speaker, the number of people I have spoken to, particularly in the business community, since this legislation has been proposed mooted, but even before, they would say to me, *Yes, well the suspension of the rollover policy, yes that is a good thing we think, although we are worried about the uncertainty of what happens after two years, but that is a good thing.* But that is not the real problem that we have.

Aside from the global economic climate and, of course, the attendant issues for businesses in Cayman, particularly the financial services businesses and business which rely heavily on inward investment, the construction development and that sort of thing, the biggest problem we have is with bureaucracy.

Everyone I have spoken to about this issue, even for the shortest time, says that we have got to reinvent the Immigration administration in this country; that much more than the Rollover Policy and all of the other issues, the key employees and so forth, it is the administration that frustrates many, many people, particularly foreign companies that are coming here for the first time. The length of time it takes to get permits, the hurdles that you have to go through, the back and forth with the Board.

Madam Speaker, those are the things that we really have to address and I do hope that as it appears the IRT was not focusing on the Rollover situation in the first two years that it has been operational, that they have been focusing on how we fix those things.

Madam Speaker, I have spent a long time thinking about this, and I know there are pros and cons, but I firmly believe that we need to do away with the Board system except—except—to retain it as an appellate tribunal to consider appeals from decisions, and perhaps to look in some instances at particularly unique situations.

Madam Speaker, when we got the first modern bit of Immigration legislation in 1971 it was felt

then. It was called the Caymanian Protection Law and it was developed because of the need—the perceived need—to protect the interest of Caymanians as the country became subject to major immigration over that period, to make sure that Caymanians had an opportunity to participate in all of the investments and so forth that were happening, and to get jobs and so forth. As the country matured in more recent times, I think in '92 or thereabouts, the name of the Law changed—even though much of the Law remained the same—from the Caymanian Protection Law to the Immigration Law.

The Board system was established back in the early legislation in 1971, and it was felt that what was needed was to have local people who understood what was happening make the decisions about who got work permits, who got Caymanian status, and who got permanent residence, and so forth. And it has been felt all the way up until now that that input from local people was important in the decision making process.

I held firm to that view for a long time too. And perhaps, Madam Speaker, it had its place. But in modern Cayman I believe that all of these boards—and I say this advisedly, having spent four years in Cabinet and understanding what happens at the board level and the battles that go on and all of the (I'm not sure there is an English word that I can use for this, but there is a Cayman expression. I won't bother to say it) all of the machinations (let me use that) that occur relating to who gets this work permit and who does not get this work permit, and who gets permanent residency and gets the next thing.

Madam Speaker, as we mature I believe that we have got to do away with the Board system. We need to set up an administrative process with very clear criteria, with the ability to audit what is happening and to crosscheck. Simply because it is done administratively does not mean that it can't be done wrong and that there is not scope for corruption or mismanagement. So there has to be a process to crosscheck and to manage and to audit how the work permits are granted administratively and how permanent residency is granted administratively and so forth.

And we should retain, in my view, Madam Speaker, the ability to have appellate tribunals to deal with appeals from these things. And so there can still be participation from civic society in the decision making process in that regard. But we have to find a better, more efficient, more modern, more progressive looking approach to how we handle Immigration in this country if we are to retain the businesses we have that have presence elsewhere, and can very swiftly, even keeping their doors open in Cayman, move significant amounts of their business, and consequently a significant number of their employees, elsewhere in a heartbeat.

Madam Speaker, I do know of one instance that occurred during our Administration, when Goldman Sachs left this jurisdiction. And because of the implications of that I have spoken to a number of people about this issue and quite plain and simple, why did they leave? They left because of Immigration. It was not so much the "Rollover"; it was the combination of all of these things and difficulties and hurdles and bureaucracy, and the feeling that this place was not really one that welcomed growth by them.

Now, Madam Speaker, in the present climate, we already have a less than attractive image I believe on the Immigration front. And there are other issues.

My colleague for North Side spoke about how poorly we fared in the survey that was carried out about the attractiveness of Cayman overall from a business perspective. And there are a whole lot of other things we need to fix. But, Madam Speaker, we are going to have to do some fairly radical things, I believe, if we are, in the present environment, going to not just retain the amount of international business we have here, but to attract them from other places. It is a very, very difficult thing to do in the present environment.

But I believe, Madam Speaker, that there are things we can do, particularly on the Immigration front, to make Cayman more attractive for international business, and at the same time allow greater opportunities for local people to participate; more job opportunities, more investment opportunities, and more opportunities for promotion. I am certainly not advocating and I am certainly not suggesting that we just open the door and say, *All and sundry come, and you have no social obligations to this place.*

But, Madam Speaker, I do not believe that the approach which the Government has taken to dealing with this issue about Rollover is actually the right approach. I believe, based on what the Premier has said even today as he said it, that they do understand what the issues are, that they do understand what the challenges are and we are *ad idem* on that. My great difficulty is that rather than taking the bull by the horns and addressing the issue comprehensively and in a manner which will create certainty and confidence, the Government has chosen to adopt an indecisive *ad hoc* approach to this major national issue leaving, down the track, the possibility, the potential, for all sorts of problems, legal challenges and eventually the requirement that some government two years hence is going to have to come back to address this issue about Rollover.

I urge, Madam Speaker, the Government, even at this, the eleventh-and-a-half hour, to rethink its approach to this critically important issue and look—even if they pass this today—look in the very near future to addressing this issue comprehensively and in a way that creates the kind of certainty that this country needs, particularly in these difficult economic times.

So, Madam Speaker, I do hope that that contribution will have made clear, made plain to the Government and to the broader community the position of the Opposition on this important issue.

I thank you, Madam Speaker.

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

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak?

If not, I will call on the mover of the Bill to reply.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I listened to some of what the Leader of the Opposition had to say and some of what the Member for North Side had to say.

Let me deal with the Member for North Side.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** *[Addressing inaudible interjection]* Well, we will decide if you have made any good parts, Madam Speaker.

What I can say to the Leader of the Opposition is that the conversion on the road to Damascus was not personal to Paul alone. Thank God you have seen some light too!

Madam Speaker, the Member for North Side gave what I consider a good Opposition speech, but he did not have any solutions. He went on to blow out of proportion this whole thing. Just let me say to the honourable House and to him, and to his colleagues on the Opposition Bench, since that is what they call themselves—

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** *[Addressing inaudible interjection]* No, no, that is because they are all together.

Madam Speaker, we are all together about getting our people employed. But I have to ask them again—all of them—what are they doing to help?

Because everything they say and do, most times, is to poison and try to kill any impetus that the Government may have in getting a better economy. Certainly, we have unemployment. We do, unfortunately. The Opposition seems to have an answer now for everything, but while they were the Government they did not do anything.

The Member for North Side says there are hundreds of Caymanian experts and qualified Caymanians and the Immigration do not have the facts he says. But where are his facts? We have unemployment in Cayman and we have unemployed Caymanians, far too many. I don't know that there are hundreds of Caymanian experts. And I heard him talking

about the international business sector. Where are his facts that there are hundreds of Caymanians unemployed there?

Madam Speaker, the Member tried hard to make the public believe through this medium that [anything] that we are doing is to help. Madam Speaker, he said there is no economic miracle in the Bill. I didn't say there was. What I said, Madam Speaker, was, that we have to address the areas. And what I am saying in doing this in this Bill is that every change we have made, and in the other legislation that we have brought, every bit of help we can give adds to a better Island.

The Opposition, all together, Madam Speaker, if we listened to them we would be on a merry-go-round because the Member for North Side claims it puts Caymanians at a disadvantage. His colleague, the Leader of the Opposition, says to do away with it in its entirety. Get rid of it! And what we are saying, Madam Speaker, is that we are trying to find the best way forward and not to rush foolhardy into it.

Madam Speaker, we understand the politics. I know what the Member for North Side is trying to do with his prognostications and his wild allegations. It is coming from an Opposition that is hoping to put himself in power. That is why they are trying to make Caymanians believe that we are not doing anything for them here. They have not come up with any sound arguments, Madam Speaker. While they complain about the suspension, they have not been able to bring any soundness to their argument. We have to get it done now, and I have given reasons.

I hear the Leader of the Opposition talking about challenges and lawsuits—from what? So what? How many lawsuits does the Government get on a yearly basis? Loads of them—outstanding! And anybody challenging the Government . . . well, we will have to meet it head on. I don't know what they are going to challenge because what we are doing here is helping people.

You see, Madam Speaker, the Leader of the Opposition, the Third [Elected] Member for George Town complained a lot about the IRT [Immigration Review Team], and he went on to make it all seem like the Government does not know what it is doing. Said we had two years. Well, he had four years plus, up until he made the confession in June of this year that it should all be abandoned. He then had six years. So what? What did he do?

So many key issues and you do nothing? He couldn't do anything, Madam Speaker, because he is the same Member—and you see they have gone out of the House. That is what usually happens when you can't take the heat; you get out of the kitchen. He is the same Member out there on the Courthouse steps, Madam Speaker, who rambled on and on telling hundreds of people that the foreigners in this country were going to destroy us. And he is the same Member on the front page who said that Caymanians did not

like foreigners. He is the same Member who carried on that kind of rascality to win an election.

And the Member for North Side is doing no different now! He is doing the same thing to try to win an election. Remember what I said: "Ride the back of the tiger, you reap the whirlwind."

I heard the Member, the Leader of the Opposition with some lame scenario about politics. But you know what the Bible says, Madam Speaker? "That as a man thinketh, so is he." Where did he suddenly pull his proposal out of? Where? Where did he pull it out from?

Madam Speaker, I said in making this announcement earlier this month (two weeks ago now), that we would give the committee up to two years. But I believe, Madam Speaker, the committee can and will finish the work by March next year, 2012, and I certainly gave that kind of timeframe also. I said then that I would bring legislation now, this week, and that I would put the committee in place, and that is what Cabinet has done.

And then I said we would come back in six months. So, actually the committee has six months to look at the situation. But, Madam Speaker . . . and I believe that they can stick to that. But if need be, if the committee should need more time to do its work, well they would have it. And if they find that it is not working, then it goes. This is not ad hoc. We are trying to find the best way and we got to keep the peace.

You hear and see the modus operandi of the Opposition, of those two. And they think that we are so blind and fool-fool that we can't see the two of them working together. One on that side says all manner of evil against every business person in this country, and then when elections come they will be joined together and he can say, *I stood up for the Caymanian people. I'm the advocate.* He's their savior.

And then you have them on this side down here standing up and saying, *Do away with the system, it ain't no good! Nah doing us any good!* They think that we can't see. They think they are so smart that they can outsmart me. They can't dig them holes too small that I don't see through it. And they know it! That is why they get frustrated, Madam Speaker. Because I am not the most polished speaker but they know that their politics ain't no smarter than mine. And we have licked their feet from under them. That's their problem! That's why they come up with this thing now that we should just do away with it.

He made that announcement after finding out that they had lost the General Elections because they had done business so bad, and that they had carried on so much about the foreigners in the country that they did not get any of their votes; very little. So he comes back like I said, like Paul on the road to Damascus, and says, *Oh? The UDP put that in place and it is not working now; it must be abandoned.*

You see, what they should really say is how many times they changed it and messed it up, the chairman that they had who commanded and demanded that they make those changes because they did not want a certain nationality here. It's in the records for one and all. Hopefully, they are seeing the folly of their ways. But I don't know, Madam Speaker, because I really thought that they would have given this effort some chance. Nah! They can't do that. They are not man enough to do so.

Madam Speaker, he says this creates major uncertainty. The major uncertainty is when companies in this country cannot get work permits and their business leaves here. And they say, *I have to take my top man out and with him goes business.* And with that top man going and the business going out of this country, Caymanian administrators, other professionals lose business. Business people lose business. That's the uncertainty that I am trying to stop today.

I want him to know, Madam Speaker, there are so many impacts—negative, Madam Speaker—negative impacts in this country. That's why the economy . . . They can say what they like but nobody has brought any other proof to me, because if we had people still here doing business people's apartments would be rented. And if the Goldman Sachs of the world had not left there would be many more Caymanians employed. But who listened to them?

I saw—I have it—a report done by KPMG which told the Government that what they were doing was wrong with the financial industry! It showed them how people were leaving and would leave! And that was, I think, in 2007. Did they do anything about it? The Leader of the Opposition was the man who was responsible for financial services in the country, and what did he do, Madam Speaker? They fiddled while Cayman burned. They were like Nero—dressing up like mosquitoes dancing on the street.

*[inaudible interjection and laughter]*

**The Premier, Hon. W. McKeever Bush:** Well, I don't know. I guess the next dress will be like a Lionfish.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** That is the most ominous to us right now.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I don't think that this is creating uncertainty.

There has never been a more positive feeling in business (and I will get to the other point) in years than what it has been in these last couple of weeks since I made that announcement, and, in particular, this week.

I have had meetings with businesses and had word from the businesses of this country since this announcement and they welcome it, and believe that it creates for them certainty, that suspension plus the 10 year. And it works, it will work! It will work, Madam Speaker, if they get out there and keep their mouths shut and don't let people who don't know and don't understand lead them, because that is what is happening, Madam Speaker.

The Member for North Side ought to know because he was a member of the Immigration Board, and he claims that so many people told him lies. I saw one request from him that he was going to bring in 800-and-something employees himself on one proposal! And he has the audacity and the temerity to talk about what other people were doing. *Oh, what tangled webs they weave when they practice to deceive.*

Madam Speaker, I want the Leader of the Opposition to know that on the matter of bureaucracy . . . you know how I feel about it. You know how I feel about pure unadulterated bureaucratic harassment. That's what I see happening here.

And so, Madam Speaker, lo and behold he came with another tack today. In June it was a mention of what could be the workings and the beginnings or the start of a confession that things had gone wrong under their Administration, and that business had lost and people had left, and Caymanians had become unemployed, when he talked about doing away with it. And then, Madam Speaker, he heard me mention at the Chamber of Commerce on Tuesday, was it? Wednesday?—*[Asking another Member but no audible reply from that Member]*. It was Wednesday, Madam Speaker, about the system; the work permit system in particular, on how I saw it working in Bermuda.

I don't listen to the talk show, Madam Speaker; a pile of nonsense comes out of it, most times.

Madam Speaker, if he didn't listen (and I know he did), Madam Speaker, he certainly knew from a long time ago because the records here prove what I am saying now too; that that is a system I thought we should put in place so that it becomes more of an administrative system between central Government and Immigration Department for work permits and applications thereof and the running thereof.

Madam Speaker, you see this committee can look at that also. But I know, as sure as I am standing here this afternoon, that if we did that he would go 360 degrees the other way. He would come here and find some fault with what we were doing and say it is wrong.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** *[Addressing inaudible interjection]* Of course, a lot of things in life could be done better. They could have done better by electing somebody else in George Town other than the Member who is mouthing me over there.

*[laughter and inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Unfortunately *[answering inaudible interjection]*

**The Speaker:** And that is all through the Chair, of course.

*[laughter]*

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, perhaps we are at somewhat a crossroads where we should not be. And there is doubt on that side. And other people have their fears because, Madam Speaker, we all are elected here to safeguard Caymanians and try to see that our people are not taken advantage of.

But what we know, what we are told, and what we see happening, we know, Madam Speaker, that better can be done and that we can enhance our people and the future for our children and grandchildren, if we would only stop the bickering, the infighting, the accusations. [It is] long past the time, Madam Speaker, when any representative thinks that he can say certain things and get away with it and believes he can go back to his constituency and tell them, *Oh, I told them off in the House, and I am going to protect you*, because people are listening.

People see and understand. People understand what the Government has to go through. It is not like the old days, Madam Speaker, when we didn't have radio and somebody came down and it was like the town crier who went around spreading what didn't happen. The days are different today. People are feeling the pinch. People can't pay. Some people can't borrow and they can't purchase and they can't do business, and they want from us better efforts. And while I am the Government, and we are all on this side, we are going to do those things across the board.

The Ministry of Education has many good programmes now, and his efforts are paying off in the area of training, and assisting our young people in that way.

The danger is what I heard coming from the Member for North Side; a dangerous path to take, one that was taken in the old days. You will remember it, Madam Speaker, when everybody in the world was told that the cadastral survey system was going to destroy the world. It defeated a government and, had it not been for that cadastral survey system, people would not have had any land today. Somebody else would have owned it.

I remember it well. I'm old enough. And so I see the same things happening here now—spread all the fear you can and you think you will win. That was done even up to 2005. People now know better and all of us had better take heed. Remember what I said.

I think the Government is doing the right thing. This is a good effort. The community I think is behind us on it and I look forward to the day that we can have a more streamline operation in granting work permits and dealing with our Immigration procedures.

Madam Speaker, I would like to thank you for your time, your indulgence, and the House for theirs. And I guess, Madam Speaker, we will suspend now and then come back. I don't know what time is best for you, Madam Speaker, but I am at your time.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Well, Members are saying that we still have some other time until 5.30 so.

**The Speaker:** Well, when am I going to do the vote?

**The Premier, Hon. W. McKeever Bush:** After this.

*[inaudible interjections]*

**The Speaker:** The question is that The Immigration (Amendment) (No.3) Bill, 2011, be read a second time.

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

**Ayes and one audible No.**

**The Speaker:** The Ayes have it. The Immigration (Amendment) (No.3) Bill, 2011, has been given a second reading.

**The Premier, Hon. W. McKeever Bush:** Can we have a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 13**

**Ayes: 8**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio S. Solomon  
Mr. Dwayne S. Seymour

**Noes 1**

Mr. V. Arden McLean

**Abstention: 1**

Hon. Alden M. McLaughlin, Jr.

**Absent: 5**

Hon. Juliana Y. O'Connor-Connolly  
Mr. D. Kurt Tibbetts  
Mr. Moses I. Kirkconnell

Mr. Anthony S. Eden  
Mr. D. Ezzard Miller

**The Speaker:** The division result is, 8 Ayes, 1 No, 1 Abstention, and [5] persons absent.

**Agreed by majority on division: The Immigration (Amendment) (No. 3) Bill, 2011, given a second reading.**

**Suspension of Standing Order 46(1)**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of Standing Order 46(1) to enable the National Pensions (Amendment) Bill, 2011, to be given a first reading.

**The Speaker:** The question is that Standing Order 46(1) be suspended to enable the National Pensions (Amendment) Bill, 2011, to be given a first reading.

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

**Ayes and Noes.**

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

**Agreed: Standing Order 46(1) suspended**

**GOVERNMENT BUSINESS**

**BILLS**

**FIRST READING**

**National Pensions (Amendment) Bill, 2011**

**The Clerk:** The National Pensions (Amendment) Bill, 2011.

**The Speaker:** The Bill has been deemed to have been read a first time and is set down for second reading.

**SECOND READING**

**National Pensions (Amendment) Bill, 2011**

**The Clerk:** The National Pensions (Amendment) Bill, 2011.

**The Speaker:** I'm waiting on the Minister.

**Hon. Rolston M. Anglin:** I'm waiting on you, Madam Speaker.

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

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, sometimes the public does not get the benefit of what happens in the chamber and criticises us unduly. It is seventeen minutes past five [o'clock] on a Friday. We don't even need to say "it's five o'clock somewhere"—it's past five! And so, unfortunately, Madam Speaker, we were like the proverbial shy young man and shy young lady: You were waiting for me to ask you to dance; and I was waiting on you to ask me to dance.

**The Speaker:** I wish I had known.

*[laughter]*

**An Hon. Member:** Whaaa!

**Hon. Rolston M. Anglin:** So I am very sorry for the hesitation a little earlier, Madam Speaker.

Madam Speaker, I beg to move a Bill for a Law to amend the National Pensions Law (2010 Revision), to provide a mechanism whereby an amount may be withdrawn from an account in a pension plan as a deposit for the purchase or construction of a dwelling unit or the purchase of residential land or to pay off an existing mortgage on residential land in the Cayman Islands; and to provide for incidental and connected matters.

**The Speaker:** The Bill has been duly moved [and is open for debate]. Does the Honourable Minister wish to speak thereto?

Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, last September, 2010, this honourable House passed a <sup>2</sup>Private Member's Motion that sought to provide a mechanism for people who had adequate funds in their pension accounts to be able to acquire real property. During that debate at the time, there were many different views put forward as to how this could potentially work. Ultimately, Madam Speaker, the one thing that was clear was that the majority of persons who spoke, as I recall, acknowledged the fact that home ownership is the key to building stable communities. Owning a stake in one's country was crucially important long term to not only the individual, but to their entire family.

Madam Speaker, another point raised at the time was that everyone acknowledged that any amounts withdrawn from one's pension account would have an impact on one's retirement. However, it was pointed out by numerous Members, including the mover and seconder of the Private Member's Motion,

that, given the expense profile of retirees in the Cayman Islands, housing was a significant component and that, unfortunately, in our community there was a growing and worrying trend of people reaching retirement age and not having access to adequate housing.

Madam Speaker, many years ago in our community, most families had something akin to what would be their little family homestead. If the landmass was adequate, children typically would build somewhere on their parents' land. If it wasn't, you would find that lots of people would build on to their parents' homes. And eventually as one generation shifted to the other, housing was accommodated for people in that sort of cross-generational manner.

As time has moved on, we have started to see in our community, people who do not have access to adequate housing who are aged, certainly at retirement age, and Government having to increasingly fund that aspect through the Department of Children and Family Services. So much so, Madam Speaker, that when the housing developments on Captains Joe and Osbert Road (near Cox), and in Windsor Park were erected, that the Department of Children and Family Services themselves took ownership of a number of those units to be able to provide housing for residents.

Certainly, the example in West Bay, on Captains Joe and Osbert Road, the units that I know about are typically occupied by senior citizens. All of those people were out in private rental accommodations for which the Social Services Department was paying.

So, not only was it illustrated to the House that housing was a significant cost component when you retire, it was increasingly becoming out of reach for more and more Caymanians.

Madam Speaker, if we reflect back, I guess one bit of how we did things 30 years and further back, not only did people start off life without having to take out a loan to acquire the land that they built on, but also there was much more communal support and family support when it actually came to the construction. And so, you would find that a person who, even if they had to go out and buy land and did not have access to it within their family circle, would be able to work during the week and on weekends. Friends and family (particularly family members) would come by and assist them as they continue to "save up", as was our phraseology then, and build stage by stage towards completion of one's home.

So, Madam Speaker, given that that dynamic has completely shifted in Cayman and the fact that we see this worrying trend, we also know that more and more young people complain to us as Representatives about how they get access to housing and not have to continue in the world of rent.

The mover and seconder of the [Private Member's] Motion ably brought forward many valid points as to how accessing one's pension at retire-

<sup>2</sup> Private Member's Motion No. 3/2010-11—Pension Deductions

ment when the entire picture was looked at, would not necessarily be as devastating as some may have thought from a very cursory look. Analysis was done on what the actual average dollar amount was that housing accounted for. And so, Madam Speaker, we wound up with the motion being passed.

During my contribution in accepting the motion, I pointed to a number of different ways in which the spirit of the particular motion could have been brought to fruition. I spoke to, certainly, some things that I do not believe today are necessarily out of play with some of the administrators, but, certainly, it would be up to administrators if they are going to be creative in the way in which they actually administer any such programme once the Bill receives the support of this House and comes into effect as law.

Madam Speaker, I mention those few words for context just so the House, and, certainly, anyone who follows the debate, would call the genesis of the Bill which is before the House.

Madam Speaker, the actual Bill, the National Pensions (Amendment) Bill, 2011, has the customary definitions. And importantly, Madam Speaker, it defines “residential land,” “dwelling units”, what “deposit” actually means in this context. The fact that this particular—

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** The fact that this—

**The Speaker:** Finish your sentence.

**Hon. Rolston M. Anglin:** —and the fact that “Caymanian” is defined is important because, Madam Speaker, the proposed amendment is one that is accessible to anyone who is a Caymanian whose meaning is assigned in an expression under the Immigration Law.

Madam Speaker, I am aware that there is a wish of the House to break for certain Members to be able to attend a function. So at this stage, I would move for the suspension of proceedings until 7.30 pm.

**The Speaker:** Can we just hold on for a minute please? I need to get the Premier in the chamber.

*[long pause]*

**The Speaker:** We are going to suspend the proceedings for half an hour. The Deputy Speaker will take over when we return.

**Proceedings suspended at 5.34 pm**

**Proceedings resumed at 6.25 pm**

*[Hon. Cline A. Glidden, Jr., Deputy Speaker in the Chair]*

**The Deputy Speaker:** Proceedings are resumed.

Please be seated.

I call on the Honourable Minister of Education to continue his contribution [on The National Pensions (Amendment) Bill, 2011].

**Hon. Rolston M. Anglin:** Mr. Speaker, before we took the early evening suspension, I had made my way through the definition section of the Bill and was pointing out just some of the more relevant points contained therein.

Mr. Speaker, now to just move very quickly to the Bill itself: The withdrawal of the pension from your pension account involves a rather simple construct under the legislation. A person would go to an approved financial institution and that would either be one of our local Class A commercial banks, the Credit Union, having the meaning assigned [to that] expression under the Cooperative Societies Law (2001 Revision), any building society (and that is a society under the Building Societies Law), and the Development Bank, as created by the Development Bank Law.

So, Mr. Speaker, a person would have to go to one of those institutions as they normally would for a mortgage in the case of a townhouse, apartment, condo or home, or for a loan in the case of a purchase for raw land, and go through the normal process to become approved. Once the person is approved they take a letter of approval to their administrator who then processes for the amount required by them for their deposit pursuant to their approved loan agreement.

Mr. Speaker, it is very important to note that this Bill does not create a scenario where a person can simply go to their pension administrator and say, *I want \$35,000, and here is what I am going to use it for.* No, the Government would not have introduced a Bill in that way. It is all driven by the normal process of approval. What it does, Mr. Speaker, is where persons could not normally come up with what would be their typical deposit, they can now utilise their mandated legal savings, pursuant to the National Pensions Law, to assist with their deposit required by the lending institution.

Mr. Speaker, the Bill also allows for in 52C, for a person, whose outstanding mortgage amount is less than the maximum of \$35,000, including, obviously, any fees, penalties, et cetera (this may be a person who perhaps might be at this present time in arrears, may be in trouble with their mortgage), to be able to also access a similar amount to be able to pay off that amount.

And again, Mr. Speaker, the person would have to go through the normal process of proving that they are the owner and the amounts by written confirmation from whatever institution they have the outstanding mortgage with. And that is a very important consideration in this Bill. Because, Mr. Speaker, at this point in time, we know all of us get representation

from our constituents of people who at this stage are in trouble with their mortgage and it is all good and fine to say, *Yes, well let's leave the amounts that are in their pension accounts*. But all of us know the devastating affect of losing a home. Not only a devastating affect of one's credit, but the absolute devastating affect it has on one's family, in particular, children.

Mr. Speaker, as a House we must ensure that we give our citizens as many tools as possible to access real property ownership and as, 52C allows, retention of real property.

Mr. Speaker, the Bill in 52D mandates that anyone accessing this benefit or this allowance under the Law would have to contribute additional contributions to their pensions account in the amount of 1 per cent additional contribution. Mr. Speaker, this was an allowance that the Government made after a meeting with the pensions administrators who obviously expressed their concerns about the long-term impact a withdrawal would have, and actually asked if Government would consider some sort of additional contribution so that the impact on an individual's pension account is not as devastating as would have otherwise been the case.

Mr. Speaker, 52E speaks to the total amount that can be withdrawn. And then the Bill has attached in the Schedule, a number of forms—initially the number that it speaks to, the form that one would utilise in actually accessing one's pension and the reason, the type of withdrawal that it is, and all of the other necessary evidences that the person must produce, that is, evidence of Caymanian, evidence that they have legal title in the case where it is going to pay off an existing mortgage, the letter from the financial institution addressed to the applicant proving the details that would underpin the actual withdrawal.

Mr. Speaker, the Bill also provides for there to be a caution put on the land register for any property restriction.

*[Inaudible interjection]*

**Hon. Rolston M. Anglin:** What did I say? *[Addressing inaudible interjection]*

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Sorry.

To be put on the land register for any person who accesses this allowance under the Law.

That is very important, because the last thing we would want is to have someone access their pension, acquire a home or some form of real property, and then sell that particular property and not return to their pension account any monies. That would then be the ultimate defeat of what we are trying to achieve.

So, Mr. Speaker, in the event of a sale, the person has to return the original amount withdrawn or 10 per cent of the value of the sale, whichever is

higher. Again, it is constructed in that way so that if the person was to, say, buy a home or land, and sell it at a profit, that they would have to make their pension whole, or 10 per cent of the sale value (if that is higher), which would be making it whole, and a portion of the element of the profit that they would have made.

So, Mr. Speaker, that is the construct of the Bill, what it seeks to achieve, how it seeks to achieve the actual rationale as outlined in the Memorandum of Objects [and Reasons] to the Bill.

With those introductory remarks I would commend the Bill to honourable Members of the House.

**The Deputy Speaker:** Thank you, Honourable Minister.

Does any other Member wish to speak?  
[pause]

Leader of the Opposition.

**Hon. Alden, M. McLaughlin, Jr., Leader of the Opposition:** Thank you, Mr. Speaker.

Mr. Speaker, on behalf of the Opposition I want to indicate our support for the Bill. But I also want to speak a little about the Bill as it is, and particularly compared to the Motion which spawned it. Because, Mr. Speaker, while the Opposition has no difficulty supporting the Bill (as the Minister and team who drafted the Bill have addressed, I believe, all of the concerns that we have about potential misuse of these pension funds), I believe the Bill as currently stands, is going to prove to be a disappointment to many out there in the community who have been led, wittingly or unwittingly, to believe that they would have general access to these funds to help them in the difficult times that many people are facing now in paying their mortgages.

There is no question that this is a real issue, that there are lots of Caymanian people who are finding it very difficult to hang on to their homes. I know because many of them speak to me about this issue and many of them ask when it is that they are going to be able to get access to this money. But I can say, Mr. Speaker, of the six or so persons who have spoken to me—one, as recently as three weeks ago—this Bill and the provisions of this Bill will provide absolutely no assistance to them because they owe much more on their respective mortgages than the \$35,000, which this allows to be withdrawn, and then only allowed to be withdrawn to actually retire the mortgage.

So they are not going to be able to take the \$35,000 to help pay off arrears, if you still have a substantial amount outstanding beyond that. Everyone who has spoken to me about this matter believes that they are going to be able to have access to this money to help pay off arrears—and this is not going to be the case at all.

Mr. Speaker, that is not to be taken as a complaint by me about the way the Bill is drafted because

we understand full well the risk involved if people are simply allowed to withdraw from their pension fund to deal with a crisis that they have now, but in the long run they lose the money and they lose the house as well, and then they have no pension. I shouldn't say no pension; they have a significantly reduced pension.

So, as I said, this is not a complaint about the drafting of the Bill. In fact, this was one of the major concerns which the then Leader of the Opposition identified on behalf of the Opposition when we spoke to this matter about a year ago. But there needs to be, I think, careful management from a public relations standpoint of this issue because an expectation has been created in the community that when this Bill passes, anyone who is in arrears and has a pension fund in excess of \$35,000, is going to be able to withdraw from that \$35,000 to help deal with these arrears.

So, if the Government is not careful they are going to wind-up with, instead of applause for this Bill, real condemnation because this falls far short of the expectations, I believe, that most needy people have.

Mr. Speaker, in fact, the Bill as is now, essentially does as I see it, really only two things: 1) if a person or a couple who have in excess of \$35,000 in each of their pension accounts wants to pay off, or are in the position where they can pay off their mortgage because it is less than \$35,000, in the case of one, or less than \$70,000 in the case of a couple, they can access the pension fund and pay off the mortgage. So it does help that kind of person.

And I believe the provision in the Bill which says that if you sell the house before reaching retirement age, that you then have to repay that amount plus 1 per cent into the pension . . . or you have to pay all along the 1 per cent. So, you will pay the full amount to the pension fund. I think that is the kind of protection that we were urging, and we are happy to see.

But the number of persons I believe, who are going to be in that position are going to be quite limited. So it does that.

The second thing it does is that it provides another limb to Government's overall programme—successive governments—of assisting first-time Caymanian homeowners to get a place, because you can use the \$35,000 as a deposit on a dwelling place or on residential land where you would build somewhere.

Speaking on behalf of the entire Opposition, we have always said that we did not think that that was absolutely necessary given the range of programmes already in place and the tremendous success that these programmes have had.

Now, Mr. Speaker, I do not have bang up-to-date statistics on this. It has been some time since I have actually gone through this. But the Government Guaranteed Home Assistance Mortgage Scheme which was established by the Administration of which I was a part of in November of 2007, does provide a

tremendous amount of assistance and has had a huge take-up. Perhaps when the Minister rises to speak, or the Fourth Elected Member for George Town, who actually moved the motion, that preceded this Bill, can give us an update of what the utility of this scheme is.

But basically, Mr. Speaker, seven banks agreed each to put up \$5 million over five years for this programme. Those were Butterfield, Cayman National Bank (CNB), Fidelity, First Caribbean, HSBC, Royal Bank and Scotiabank. That was in November 2007. But the programme was so very successful that within a year of the programme it was determined that there was a greater demand for funds than had been provided over the whole five-year period, and the \$35 million was taken up in the first year.

So, in February of 2009, following negotiations by our administration, we got five of those seven banks to agree to another \$25 million. And those were Butterfield, CNB, First Caribbean, Royal Bank and Scotiabank. And since the current Administration has taken Office, Mr. Speaker, the Minister of Community Affairs, the Honourable Michael Adam, announced that Butterfield and First Caribbean had agreed to another \$5 million each. So there's \$10 million.

I don't know how much take-up that has had. That's the bit I and I think others would benefit from if Members of the Government Bench would speak to when they do rise.

The GGHAM [Government Guaranteed Home Assistance Mortgage] was specifically designed for first-time Caymanian homeowners who earn enough to pay a mortgage but who do not have the down payment for a deposit. Now that, Mr. Speaker, seems to me very much akin to what this proposal in the National Pensions (Amendment) Bill seeks. And under the GGHAM scheme applicants can qualify for up to 100 per cent of the loan amount (so they do not have to put up any deposit at all); up to \$200,000, with Government guaranteeing a maximum of 35 per cent of the loan amount.

The interest rate, at least, what it was when we were there, it was fixed at prime plus 1 per cent over the entire term of the mortgage. And the National Housing and Development Trust was charged with doing all the pre-qualifications for these loans.

The programme, Mr. Speaker, was only opened to people and households where the annual income did not exceed \$75,000. And that was done deliberately so that these funds and this programme would be available to those not at the upper end of the social economic pyramid, because it was felt that those families who were earning better than \$75,000 a year were in a position to go to one of the commercial banks directly and negotiate their own terms without having to seek the Government Guarantee in lieu of a deposit.

Mr. Speaker, people who already own land can also qualify for a mortgage to build a house on

their own land under that same programme, and the applicant must repay the portion of that loan guaranteed by Government before getting a release. And during the period that the Guarantee is being held, the loan cannot be refinanced and there can be no further charges placed on the property without Government's approval. Mr. Speaker, up until I last checked (which was late last year), there had been 269 recipients of the benefit of this particular programme.

In addition to that, Mr. Speaker, again, successive governments have developed these various means of assisting persons to own homes and become first-time property owners. They have been tweaked, new bits and pieces have been added but these programmes have been going in one form or another through a number of administrations. But currently, there is no stamp duty being charged on raw land purchased for the first time by Caymanians. Caymanian first-time homeowners pay no stamp duty on properties valued less than \$200,000; and Caymanians generally pay only 3 per cent stamp duty on all real property, and foreigners pay 4 per cent, except the high end areas like Seven Mile Beach where they pay 5 per cent.

And so, Mr. Speaker, there are these programmes available. These do not increase government debt but what they do is to create additional contingent liability. I acknowledge that. But that needs to be weighed against the issue of allowing people to deplete their pension funds to purchase land.

Now, as I say, we have no real objection to that with the protections currently in place in this legislation. But I think it needs to be said, and it needs to be borne in mind that this amendment Bill has very limited utility and application, given the various protections which have had to be put in place.

As I said, I think we really need to manage expectations on the part of the public, otherwise all of us, and I mean that, because when it comes to these sorts of things, the general public makes little distinction between the Government Bench and the Opposition—*You guys passed it, or you didn't pass it; you guys promised it, or you didn't promise it.* So I am worried, quite worried, actually, at the reaction that I expect when people come to understand that for most of them who are in trouble with their mortgages, this is not going to provide any relief at all. It will only be the fortunate few who are very close to paying off their mortgages who can benefit from this. And in that case most of them do not need to take their pension funds to do so.

One moment, Mr. Speaker.

[pause]

**Hon. Alden M. McLaughlin, Jr.: Leader of the Opposition:** Mr. Speaker, it needs to be also borne in mind by those who do seek to use this that if they withdraw their pension or some of their pension funds

and use it for the purposes which the Law permits, that cash will not be available to them upon retirement unless they pay it back by one means or another.

While when you are 30, 40, 45, retirement seems a long ways away, as recently as today I have had to seek to intercede on behalf of someone who has reached the age of 60 and who is facing a future having been retired—by Government no less—while he is still in perfect physical condition, at least to all appearances, and still paying rent and looking forward to very little in terms of pension and wondering where he is going to get a job to keep going over the next little while.

The other bit, Mr. Speaker, that I think needs to be addressed, is that when the mover of the Motion (the Fourth Elected Member for George Town) spoke, he spoke on the basis that the Public Service would also be able to benefit from this programme. But I have, Mr. Speaker, the *Hansard* Report of his debate on this matter and it is clear now from the Bill that it is only the private sector pension plans that are being affected, because the National Pensions Law deals only with the private sector stuff; the Public Service Pensions Law is the piece of legislation that covers and governs the Public Service.

So, expectations need to be managed because I have had one or two public servants who have spoken to me about this as well, and for those in the Public Service to be made to understand that the changes that are happening here are not going to impact them in any way, because the Public Service Pensions Law is not being amended; only the private sector that will be able to benefit from this.

Mr. Speaker, I will just conclude by saying that we have no real enthusiasm about this Bill, but we have given the various protections which have been put in place. We are generally satisfied that we are not going to see a run on the pension accounts, and that there is actually going to be a very limited number of persons who can seek to utilise the provisions of this Law to have access to the pensions. And in those instances, by and large, they will either have to pay the sum back or they will have to hold on to the home they purchased, at least until retirement, if they are to avoid having to repay their pensions account.

Mr. Speaker, as I said, we have no real objection to what is now being proposed, and I wish to commend the Minister for taking a long and careful look at this matter and ensuring that he has built into this legislation the various protections which addressed the concerns, the main concerns anyhow, that the Opposition has had since September of last year when the Motion, which has given birth to this Bill, was first debated in this honourable House.

Thank you, Mr. Speaker.

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

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member—  
Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon, Fourth Elected Member for George Town:** Thank you, Mr. Speaker.

Mr. Speaker, I suppose I would like to start by [taking] a slightly different position than the Leader of the Opposition, in that despite the fact that we always can't get what we want or what we would like to see, I do believe, nevertheless, that what we have here in terms of this pension amendment Bill is a step forward—and a tremendous step forward, in my opinion.

I do intend to try to address some of the comments that the Member raised. And let me start, Mr. Speaker, by addressing this point when he talks about managing expectations and that fact that there are persons out there who believe that they are simply going to be able to draw monies from their pension and utilise it in just about whatever way that they want.

I don't disagree for a moment that there are those persons out there who do take that position. In fact, despite the fact that I have talked about this particular thing on the radio on numerous occasions, I did have a question and wonderment, if you like, in terms of why perhaps there was confusion.

When the Leader of the Opposition stood and said that everyone who had talked to him has that confusion, I believe he identified for me the reason why they are confused. There was someone out there clearly spreading something that was not quite the case. And so that no one can say that I am just drawing inferences in the dark, the Member said it again today.

He talked about how different this Bill is from what the Motion is that I brought as the Fourth Elected Member, suggesting that somehow or another the Motion I brought was going to make it that persons could just simply withdraw \$35,000. That is the impression he led to this honourable House and to the Members listening now—you would be able to draw \$35,000, pretty much spend it however you want, was the Motion being brought by the Fourth Elected Member.

I would like to just read very quickly for the benefit of all of those who are listening, the Motion that I brought. It was [Private Member's] Motion No. 3 2010/11 entitled "Pensions Deductions":

**"BE IT RESOLVED THAT the Government considers amending the necessary legislation so as to allow Caymanians to make a one-time withdrawal of up to CI\$35,000 from their pension for the sole purpose of providing a deposit to a local financial institution towards the purchase of either a parcel of land, or the construction of a new home or an existing residence or apartment in the Cayman Islands."**

Where in that Motion is it suggesting that persons would simply be able to withdraw their money, go purchase a car, go spend (as the Member is so commonly used to [saying]) "spend it willy-nilly"? There is nothing in that Motion that suggests that.

I will tell you the first time that I heard it. The first time I heard that was when I was in a debate with the Leader of the Opposition on the *Rooster Talk Show*, and we were talking about the merits, and arguably demerits, in terms of this particular Motion, of which he stressed then, that he was against it.

The Motion I just read, which is almost a mirror reflection (and I am pretty sure the Minister will repeat it when he gets up) of the Motion that I brought 3/2010-11. He sat on the talk show a few months ago and took the adamant position that he was against the Motion. It was bad for the country, it was bad for the pension holders, it was bad for the pension providers; everyone. It was a bad thing. And, in fact, he said there just what he is saying now. He is wondering how it got out there and how persons' expectations need to be managed.

He said, "the only way I would probably consider it, and that is if it could be used to pay off people's arrears." I found it contradictory, Mr. Speaker, because on one hand if you look at the Motion that was brought, I believe that anyone would classify it, being able to withdraw up to \$35,000, so maxing out at \$35,000, for the sole purposes of using it as a deposit to purchase a residence in the Cayman Islands through a local financial institution, a parcel of land, a house or apartment. Anyone would classify that as conservative. Conservative!

The Bill before us today, again we would classify it if anything, conservative. And he was saying he did not support it. It was bad for the pension provider, bad for the pension holder, bad for the country. It was not required. Yet today, at the same time, in the same debate, he mentioned that he would support something even more liberal, and that is that it just simply be allowed to pay off arrears.

I believe that when we put all of that into our circumspect lens it goes beyond inference. I think we have a proper understanding as to why a significant number of persons out there may simply believe that they can draw from their pensions to spend it willy-nilly—just as the Member said; those particularly who spoke with him. And those persons who would have heard him say just what he said on the talk show during the debate.

So, what we have is evidence now that refutes what the Leader of the Opposition said because here is the Motion that was brought No. 3/2010-11 which clearly states that it is **"for the sole purpose of providing a deposit to a local financial institution towards the purchase of either a parcel of land, or the construction of a new home or an existing residence or apartment in the Cayman Islands."** And, Mr. Speaker, I do not believe by any stretch of imagi-

nation that anyone can disagree that what we have accomplished in terms of this particular withdrawal amendment in the Pensions Law, accomplishes just that.

Now I will say one thing; there definitely has been a bit of narrowing because just to give transparency in terms of behind the scenes we now have a position where it is for non-current home owners only. I also wanted to be able to have it where persons who even had a home had the possibility of being able to construct perhaps that little one or two bedroom apartment where they could actually go and possibly rent it out.

But I think we know the way democracy works. The Government wanted to take a position to make sure that we were doing our best to manage the risk, and the compromise position is that I did not get everything that I wanted. So, clearly, there would have been some restrictions particularly in terms of those things that I would have expressed in caucus behind the scenes. But what we have here is a pension motion and today on the Floor of the House, the pension withdrawal Bill that is a mirror reflection. And, therefore, what was expressed on the Floor of this House 3/2010-11 is exactly what is being delivered today at the end of September 2011 in the year of our Lord.

And we know now why we have to go out there, if anything, and deal with the damage that has been done in terms of illegitimate expectations raised by the Leader of the Opposition.

He also raised the issue of the Public Service benefits. Again, Mr. Speaker, I definitely expressed that I wanted to see the Public Service benefit. And my position on that has not changed from the day I brought this Motion. I do not want it to be just for those persons in the private sector. I do not believe public servants in this country are any different, any less deserving than the people who are working in the private sector. And they deserve it. And by the grace of God, if and when this particular amendment is passed in this honourable House today, that, amongst other things, is going to be one of those things high on my priority list to make sure that we are going to do the same thing, that we are going to find a way, because it is, arguably, out of our control—and the Member knows that as well. But I am going to do what I can to try to see that our civil servants can have access to their pension to do the exact same things that was brought in this Motion, and is being done right now in the private sector with respect to this withdrawal amendment.

So, I make that undertaking to the public servants out there—who are out there, in my opinion, with legitimate expectations—that the same opportunities will be extended to them. I give that undertaking—not to deliver it, because that is beyond my sphere of influence; but the undertaking to make sure that I will do what I can as a legislator to influence that process

to make it happen on their behalf. I give that undertaking.

The Member also talked about the GGHAM programme and getting it started under his Administration and how it serves the purpose, pretty much of what is being done here. That is the same argument he gave on *Rooster*. There is at least some consistency there.

For the benefit of all of those listening, the GGHMS programme, which is, the initial name given to this “Government Guaranteed Home Assisted Mortgage Scheme”, would have been started by no other than the Honourable McKeever Bush many years ago, I believe (if I may hazard) sometime in 1995. A significant number of monies were actually put in, in terms of deposit, I believe somewhere in the region the contingent liability on GGHMS is \$147 million.

The GGHAM programme in terms of Government guaranteeing that deposit, as the Member spoke about somewhere, in the region of \$26 million, just a bit over. We can call that \$27 [million] and round that off as well.

I would like to say something just about whether it is GGHMS and GGHAM versus a person drawing from their pensions. I live in this country, like other Members in this House, and there are a lot of persons who want for their own dignity, their own integrity to not necessarily have to come crawling on their knees searching for a government programme to offer them relief. They want to be able to spend their own money; the money that they worked hard for, the money that they earned, the money that they saved. That is what they want to be able to have access to. And this provides them with that.

It is not one of those situations where, in the Cayman Islands, we are going to find ourselves having to hang our heads because we have to go down to the National Housing Development Trust or some institution and seemingly beg government to see if some assistance can be given. Not everybody wants to have to do that. In fact, I am pretty sure no one would really want to do it. They find themselves in a circumstance where they do it because they have to do it.

Anyone given an opportunity to be able to decide—*go to government or do it on your own*—I dare say the majority of people in this country, the Caymanians I know, would prefer to be able to do it on their own. And this particular Pension (Amendment) Bill is going to give them the opportunity to do that.

I note that the Minister has made his notes, and I am sure that [if there is] anything else he feels is perhaps worthy of addressing, that was raised by the Leader of the Opposition, he will do so in his summing up.

That said, I would just like to address some of the things I would consider to be, arguably, legitimate concerns that persons may have with respect to the programme and perhaps wondering how we got to

this point. Mr. Speaker, the issue (as would have been touched on by the Minister) is that we cannot stress, we cannot underscore or highlight enough how important it is for an individual to be able to have access to their own home. And I can say that even many of us who already have access to our own home, in many respects, like with everything else, it is one of those things that after a while the newness tends to wear off and we can perhaps take it for granted.

We have all heard about the Maslow Pyramid, and if I could give an illustration on that, picture one of those little fantasy movies that you watch all the time. You have some individual or a group of persons landed on this deserted Island somewhere and the first three things of which they have to prioritise, is to get water, food and shelter. They live a very short period of time without water, they can live a bit longer without a bit of food, and they can live a bit longer without shelter, but three fundamental things, which is why Maslow put it at the bottom of the pyramid. First steps, in those need requirements, are water, food and shelter.

So, at the end of the day, having your own home is fundamentally important for your health and for your social wellbeing as well. At the end of the day we have had and made numerous expressions in this honourable House. The Minister of Education talks about some of the challenges that we face in our school system, and we can dare say when you follow some of the kids home and they may find themselves subjected to a small one-bedroom apartment with their mom or dad, and have to witness things perhaps that they should not see, those are but the tip of the iceberg in terms of some of the numerous challenges that we face when it comes to the issue of housing.

When the Honourable Minister for Housing and I took Office in 2009, there were at that point in time 726 applications for affordable homes. And I will stress again for the record, the previous Administration built none of those. Seven hundred and twenty-six applications for affordable homes! It grew a significant number beyond 1,000 after we took office. And I take that, amongst other things, to be a vote of confidence that this Government would be doing something about it, and people felt they could submit their applications because finally something was going to be done. And despite the economic valley and circumstances that we find ourselves in we have, to date, within two years, constructed at least 67 of those homes.

But Government, Mr. Speaker, the taxpayers of the country (which are collectively what we call the Government) can only do so much. Every time the Government has another programme it is a programme being paid for by the taxpayers of this country. Let's not pretend we are just pulling it out of the sky somewhere and it is free money; it's taxes! So when the Members on the other side of the aisle talk about the tax on the gas pump, the tax at CUC, and all of the other taxes that they complain about when it

is convenient, those same taxes come about from the same sort of programmes that are saying \$147 million here and another \$27 million there.

Yet, when the Government comes with an initiative like this that allows a person their own dignity and integrity to be able to withdraw from their own pension to build their own home, to purchase their own land and to not be a burden on the Government, which is in turn partially themselves, they want to throw cold water on that as well and say, *We have accomplished nothing*. Which is why, frankly, we do not stand on this side of the aisle and try to please them, because you never will.

I say that \$147 million and the \$27 million contingent liability; we can do something about that. And that is what we are doing right now. There are persons in this community, many of them who have not been bamboozled by whatever propaganda the other side has put out. They have the understanding and the legitimate expectation that they will be able to go, withdraw from their pensions, purchase their land, purchase a home or construct a home, and they are waiting eagerly to get access to those funds. And today, by the grace of God, we are going to deliver.

In terms of looking at the housing situation, which I believe is important to put all of this into perspective, in the Cayman Islands many years ago . . . because we can look today and ask what some of the challenges facing persons with respect to housing. Why are they lined up at the National Housing Development Trust? Why are those numbers growing from 726 to over 1,000? A myriad of different reasons.

For example, I remember growing up, you could see a piece of land, first and foremost, for \$25,000. I could buy a very good size piece of land. That price today is no longer \$25,000. You would be lucky if you can get a decent piece of land for \$40,000 or \$50,000. So, when you move something from \$25,000 to \$40,000 or \$50,000, immediately it is going further out of the range, out of the reach of some individuals in this country.

In addition, when the piece of land was \$25,000 many of those pieces of land were being sold by the individual owner themselves who would say, *Pay me \$500 a month and you can pay down slowly and own your own property*. Those days I can say, arguably, are long gone! In fact, I can only think of one sign perhaps over the last two years that I have seen with anything like that.

So, the simple fact now is that if you want a piece of land in this country you have to go to a financial institution and borrow the money. And if you want to borrow the money you get another issue because the bank wants to lend the money, but, quite rightly so, they are doing everything within their power to manage their risk. And in managing their risk they are asking for a deposit.

So, if it is \$50,000 they want \$5,000 or \$10,000 down so that you can get the \$50,000 to get

the piece of land. And despite the fact that you have hardworking individuals in this country arguably making a reasonable amount of money, many of them never have in their hand at any one point in time \$10,000, \$15,000, \$20,000, \$25,000 or \$35,000 in cash to use as a deposit to either construct a home or to purchase a home.

That is a reality that we have on the ground. And this amendment will make a satisfactory remedy to that problem. That is what we have: a remedy for those persons who say, *I make a reasonable amount of money, but the challenges are that I am renting, I'm paying my electrical bill, I'm paying my water bill, I'm paying my loan on the car and I simply do not have access to the \$25,000 or \$30,000 that I need to be able to purchase or construct that home.* And this amendment today, despite the cold water that the other side may seek to pour on it, offers a wonderful remedy to it.

One of the things I heard thrown out, I suppose by some of the minions of the Opposition, is the issue that this is going to hurt the pension holder. They are spending their money, and that is what they need to fall back on when it comes to their retirement. And where that may sound very reasonable up front, I think we need to examine it a bit closer. Because when we are putting monies away and saving in regard to our pension with respect to our retirement, which today is set somewhere around the age of 60, we are not just saving that money to put into a hole; we are saving that money for a specific purpose. And the Leader of the Opposition should know because he was the Minister responsible for Employment at one point in time. He would have seen the Mercer report, March 26, 2007, that talked about that.

If you look at that Mercer report it happens to have that pretty much exact figure that asks, *What are you going to need in order to retire?* And a figure that it throws out in terms of retirement happens to be just around that \$35,000 figure, because it says, on average the individual is making \$35,000 per annum in their working years and if you want to live a similar lifestyle when you retire, then ideally you want to be making \$35,000 per annum. That is the logic; very simple and straightforward.

But there are certain assumptions in that \$35,000, and the Mercer report states that. And one of those assumptions is that you will actually own your own home. It is saying to you, *I pretty much own my own home and, therefore, all of that \$8 or \$10 per square foot for my 1,000 or 1,500 square foot house is where I am going to be consuming some of that \$35,000.* There are certain assumptions built in there and those assumptions are mentioned.

So, this is a position where—*what is your pension for?* Your pension is . . . I slice it three separate ways: 33 per cent, 33 per cent and another 33 per cent, and we can have the Opposition fight over the last 1 per cent. It is a matter that you are saying,

ideally, 33 per cent of that is going towards your housing requirements; 33 per cent in terms of all of those supplementaries, whether it is the water, the food and all of the other things that you have to pay in terms of living in that shelter, perhaps a little transportation thrown in. And the final 33 per cent is in terms of making sure that you can deal with the issue of health.

So, when there are going to be concerns about someone drawing from their pension, let's talk about health. Technically, 33 per cent of your money is supposed to be set aside to deal with health issues, which the Minister has to deal with (I see him looking at me). You are not going to wait until you are 60 to say, *Well, I've saved my 33 per cent, now I will concentrate on spending my money and deal with my health.* No, Mr. Speaker. The person has to do what they can in terms of their expenditure—they eat right, exercise, do everything that they can—so that when they pass that proverbial finish line at 60, they are relatively healthy and hopefully they do not have to spend any of that 33 per cent allocation that is there for health.

I can tell you that the issue of health is a very expensive one. And it is no different, Mr. Speaker. No different! Just as we would concern ourselves with health issues today, and not when we are 60, is no different when it comes to the issue of shelter.

Why am I going to be able to go out today and find a wonderful home that I can purchase for my daughter now, but say, *No. I am not going to do that now, she is not 60 yet, she is not ready to retire?* No you purchase that home! And, in fact, I've said it before, it needs to go into our curriculum so we can be educating our young persons that, based on the present system that we have, you have until you are about 40 years of age to actually get into the financial institutions, getting yourself a mortgage to make sure that you have a good 20 years, possibly 25, to be able to pay your mortgage off.

I do not think they have actually taught that in school, but that is what they should be teaching them in the schools. Because at the end of the day the standard institutions with respect to those mortgages, that is the challenge—you want 20 to 25 years. So we see that even on the age issue that is something else that carries it further perhaps out of the range of many of those persons who are seeking to own their own home.

I know an individual who is now 52 years of age living with his wife. One of his daughters still lives with him and one of his grandchildren. And the individual has finally now reached the position where he has the sort of economic wealth that he could perhaps pay a mortgage and finally own his own home—at 52 years of age. But that gives him technically eight years to pay it. And when he contracts the mortgage he would need and the payments to deal with that mortgage, and the fact that he only has a window of

eight years to do it, it is out of his reach, He can't get the mortgage. Those are the realities on the ground.

So, this is a step in the right direction. It may not solve problems for everyone, but that is the way life is. I don't think you are going to have a silver bullet for anything. I always say even a door needs three hinges to swing on, or one or two hinges to swing on; it needs more than one. And it is the same thing here. You are not going to get anything that is going to solve all of the problems, but this is the step in the right direction.

The pension funds for those persons who talk about if it is the right investment, if it is going to go to waste, I will state again, that even under the Leader of the Opposition when the pensions were suffering, the report says that under their leadership over \$200 million were lost from the pension payers of this country. That's right! The same ones who are saying that we are not looking out for them, that we are not cutting this cost, that we are cutting it off the medical, we are not cutting it off the gas pump, those same individuals who were working hard, the mothers and the fathers trying to feed their families, pumped \$200 million of their hard cash into some account, somewhere, sitting in some foreign country developing some foreign country, and they lost over \$200 million.

Take \$200 million and divide it by \$35,000 and tell me how many persons you can help. Somebody's trusty calculator would probably say 5,710. But check it out and see how many persons could have benefitted from the \$200 million. Does the Member talk about that? Does he talk about what happened under his poor stewardship? That 5,710 Caymanians could have had deposits to own their own homes? No! He is not going to say that. He is going to come here and try to pour cold water on this idea when at least 5,710 people, we can say, do not have a home because he made their money get wasted somewhere in Europe or in the United States of America.

And right now with the economic position in this country, as difficult as is, that is opportunity for persons who want to own their home. That is what this Government is about—innovative thinking, finding a way to squeeze the lemon and make lemon-aid. And, at the end of the day the United States right now in all of its suffering, is not going to be predicting that you are going to be getting whopping interest rates on your pensions. No, they are predicting losses.

If there is a time to take some money out of your pension and put into an asset that arguably will continue to appreciate, it is now. If there is a time to construct houses . . . it isn't after hurricane Ivan when everybody wanted one and everybody who could swing a hammer could make a million dollars, it is now when the construction market is low and over 8,000 construction workers have left the country because there is no work! Because now you have a surplus supply of labour and therefore that means the prices are cheap.

Therefore, if you are not going to make it on your interest receipts from your pensions and you can take it and spend it in an economy at a time that you are going to be able to maximise the benefits to be able to say what would have been a \$200,000 house, I can get it constructed for \$175,000, then I say that right now is the time to do it. So, in a positive way that is the perfect storm. Good, cheap labour, affordable labour, quality labour at a very affordable price. And take your money out of something right now that is losing.

I will state here again that I believe the pension funds in this country need to be invested in the Cayman Islands. I think it was in the 1999 census that showed somewhere in the region of \$775 million in salaries changing hands. And I can assure you it was not all of them. The census is not 100 per cent accurate. I believe it is more, but \$775 million changing hands—do the math! Five per cent by the employee, and five per cent by the employer. That is \$77 million going where every year? To build the United States of America and strengthen their infrastructure? Going to Europe, going to Asia.

Why is \$77.5 million not going into the Cayman Islands' economy? Why is it not a case that it is in our financial institutions so persons can borrow money from their own financial institutions and from their own pensions knowing that when they pay their mortgage they are actually putting money back into their pensions for retirement? Those are the things that we need to be doing, and not just pumping it overseas. That's the hole in the bucket that they need to talk about; that he had a chance to address and he did nothing about it.

It is \$77.5 million-per-annum hole in the bucket. That Minister did nothing, and he has the nerve to come here and wants to throw cold water on a good idea and talk about managing expectations that he helped bugger it. No!

They lost money during the downturn and when they were losing money to that tune of \$200 million plus he said, *Don't worry, hold on. Longevity. Think long term.* And people are still thinking long term and waiting and suffering. As they say, "the horse starving to death waiting for the grass to grow".

Mr. Speaker, we are not perfect. We are not the full answer to everyone and that is regrettable. I would love to find the silver bullet. This is a step in the right direction to help many families. I await the day when I can see that they can pull up to the door and turn that key to open the door to their own home. And having done it, not because they had to come on hands and knees to government, but they did it with integrity and they did it with their own funds. That's what Caymanians want! And that is what we are providing them with, that opportunity.

Fundamental about politics, fundamental about the economy is about the family unit; very, very simple formula. Everything you do, everything you

say, make sure one way, shape or another it is something that is going to be beneficial, advancing the traditional family unit. And you have to do right in politics and you have to do right in terms of the economy. Shoot me down, that is my ideology. Look out for the family. And whether that is going to be the single mom by herself, the single dad, it does not matter, that's the family. Look out for them. Find a way to aide them in the difficult challenges that they have.

I know, from the people I speak to, they are not satisfied having put \$50,000 in their pension and when they open the envelope this month they see it has been reduced to \$35,000 or \$25,000. No. It is heart breaking.

Let's talk about someone coming out and getting their pension funds, because there is an issue in terms of how much. If an 18-year-old (this is the perfect scenario) comes out of school and manages to get a perfect job making \$60,000 or more from the moment he or she steps out of school, and they work until the present retirement age of 60 without ever missing a day, a month, never ever being made redundant, no layoffs, nothing, just constantly from 18 until 60, they would have put in approximately 42 years of working life.

According to the present rules in terms of paying their pensions, that means their overall contribution would be somewhere in the region of \$250,000 plus. Do the math in terms of the Mercer report with the average payments with respect to pensions accounts, expected to accrue 6.7 per cent over the 42 years, having somewhere in the region of \$600,000 plus into their account. You don't want the person to just be landing. If they get lucky in that scenario with \$600,000 and still scratching now wondering if they are going to have to pay \$3,000 to \$4,000 in rent, medical supplies and all of the necessary supplementaries. And that, Mr. Speaker, is the perfect scenario. I say perfect scenario because it is not going to happen.

I can't think of any 18-year-old who is just going to come out and just be making over \$60,000 and never miss a day of work, never ever laid off, no redundancies, nothing; 42 straight years of making it.

So, when we put into position into the lens the real situations, we end up with someone f-a-r beyond \$600,000. And what it is, bottom line, is an insufficient amount of funds to really be able to retire in the Cayman Islands. And let's not forget, prices are constantly appreciating. So, the prices are constantly appreciating and your dollar value in your account constantly depreciating. Talk about a see-saw. No!

I say allow the person, or we say, allow the person to withdraw from their pension, put it into an asset that ordinarily, with the exception of few circumstances, in the worse case, remain the same, but in the majority of circumstances we will continue to constantly appreciate in value. That's what I say that we do with those persons with respect to their pensions.

So, Mr. Speaker, when you look at it in terms of persons going out and considering that right now there are over, just in terms of what is known at the Trust, 1,000 persons waiting to own their own home—and I can assure you there are hundreds of others, hundreds of them, who have not even graced the door of the Housing Development Trust. They are not going there! Their situation is not that dire yet. When you consider that anywhere between zero, 100, 500, 1,500, 2,000 persons potentially being able to build their own homes, that's good for families. And because it is good for families, as I have stated before, it is good for the economy.

Do the math: Drawing \$35,000 to make a 10 per cent deposit which means you are getting a \$350,000 mortgage, and multiply that by whatever figure makes you happy; 500, 1,000, 2,000 potential persons building homes. That is significant amounts of money. And when you multiply it out, take that figure that you get and multiply that by, say, five for the multiplier effect and you are talking hundreds of millions of dollars, if not well over one billion dollars going into the economy, because we have found a way to take what is a \$77.5 million leaky bucket funding the United States and Asia and Europe, and we have found a way to bring it back home—just like our forefathers did—to do what? To build a stronger, greater Cayman Islands. That's what we are doing. Do it right and we are guaranteed to see success.

How do we judge success of an economy just from a purely economic standpoint? We call it "new-starts." And what is a new-start? When somebody builds a home—a "new-start." And why? Because when you build that home in terms of the construction costs, the employment that it provides, and even when you move in, you are going to be spending approximately \$10 every year per square foot to run the house on electricity, water, maintenance, you name it. So a simple 1,000 [square foot] bedroom house is \$10,000 guaranteed going into the economy every year, even after the big construction has been spent and even after the Government has made money on its duties.

And I will stress "government," as in the taxpayers of the country, because that is where the money goes, to provide services for them. It still goes and nets to the point where that \$10,000 additional money is going into the economy to provide work for persons, to provide business opportunities. So that is good for families, it is good for the economy and it is good for the Cayman Islands. And the only persons who should feel robbed about it, is the Opposition, and the countries right now that are getting the money. Caymanians can and should be happy.

Mr. Speaker, I want to take the opportunity in all of this to give kudos to those persons who have assisted. Some of those, in more expressed ways than others, but in no particular order, let me first of all thank my colleagues because today is a wonderful

day for me. The Motion I brought, No. 3/2010-11, just about a year ago . . . I cannot tell you how good I feel, and the Minister will agree with me of how much I was constantly nagging him—

*[inaudible interjection]*

**Mr. Ellio A. Solomon:**—pressing him, go faster, let's get this thing done, people are waiting; don't want the horse to die waiting for the grass to grow.

So, at the end of the day, today is a wonderful day for me as a legislator to be able to say I am carrying this forward and it is going to be beneficial to many people in this country.

So I want to thank, in no particular order, but I want to thank the Minister for the efforts that he has made. It could not have happen if he was not there to give me his assistance. It would not have happened. It has to come through the Minister. And so we can all bicker and quail a little bit, but I want to thank him that today on the Floor of this honourable House we have no longer a Pension Deduction Motion, but a Pension Withdrawal Amendment Bill.

I want to thank the Premier, the Honourable McKeeva Bush, because sometimes when my arm was not long enough to push or in the right place to push or pull, his was. And I thank him very much for helping me to ensure that we would be able to reach here, even though I will state again that the Opposition comes here and says, *vote against it because it is unconstitutional, they are bringing it too early.*

There are people out there who need assistance! If we follow the Opposition we would say to the people, starve to death, have no house, we do not care, got to follow the line of the law (according to the Opposition) with the Constitution. That Constitution, Mr. Speaker, at the end of the day, as rigid as those black and whites are, has more compassion than what I hear coming from the Opposition because it knows what an emergency is. And people are hurting and it is an emergency position.

I would like to thank my caucus, the rest of the Members in the caucus for their support, again, because even though I did not get everything that I wanted, and even though there were some disappointments, without their support we would have nothing. So I thank them from the bottom of my heart for their support as well.

And, again in no particular order, I would like to thank some of those persons in the private sector that helped, at least a few of them are here today. I would like to thank Miss Cheyenna Stewart who gave of her service to be able to ensure that today we could be standing here knowing that we are going to help hundreds, if not thousands of Caymanians. And not just for today, but for the years to come, we are going to be able to say that what we did today is helping many Caymanians; today, tomorrow, years to come.

And to the Cheyenna Stewarts and persons like Sam Thevasaeyan (and I hope I get his last name correct); persons like that giving of their time, no charge, love of country. Ms. Ninfa Smith, again, giving of her time, no charge, free of service; wanting only one thing, and that is to make sure that they could play a role, unlike what the Opposition would say today, knowing that they could just simply sit here today with a certain degree of happiness that is inexplicable. And that what I have done today in terms of my labour has found its way on black and white, crouched there in full rigidity of the Law, giving effect to something that is going to change lives in a positive way. And I thank them from the bottom of my heart.

I believe I can say that many persons who will get the benefit immediately and in years to come should remember those persons as well: Cheyenna Stewart, Sam Thevasaeyan and Ninfa Smith.

I would also like to take the opportunity, and not that any one of these persons, Mr. Speaker, wants to be mentioned, but I am going to embarrass them because they deserve it. They worked hard. It is to thank them but sometimes persons get embarrassed when they hear their names called but they deserve it. They worked hard. I also want to call Ms. Karen Stephen-Dalton, one of those many civil servants who continue to work behind the scenes that sometimes get the undo criticism. They work in the black box, no one knows. They just shoved the piece of paper in and something came out. The faceless civil servants. And in this case the Ms. Karen Stephen-Dalton that I could call at eight o'clock or six o'clock, some ungodly hour when work should not have even been taken place and she was listening to my phone calls and taking notes. As a matter of fact here we are, it is almost eight o'clock right now and Ms. Karen Stephen-Dalton is still sitting here.

So, it is possible, Mr. Speaker, in terms of the aide, in terms of those persons who are going to benefit from this despite the cold water that the Opposition wants to throw on it, it is people like those who have benefitted us today in terms of this particular amendment.

So, Mr. Speaker, I say in closing—because there may actually be someone who wants to say a few remarks—that I should also mention specifically my seconder of the Motion, Mr. Dwayne Seymour. In this honourable House it does not matter how many bright ideas you have you cannot even bring it to the Floor of the House unless somebody supports it. And so I would like to thank him. Perhaps not one of those who is going to say much, but at the end of the day he moves a lot and helps, and so I would like to thank him as well.

So, Mr. Speaker, with that I believe I have said enough in terms of this. Somebody else may want to have a few words, and I would just ask the Honourable Minister to address any fragments that

have been left from the issues raised by the Leader of the Opposition, as I am sure he is going to do.

Thank you very much.

**The Deputy Speaker:** Thank you, honourable Member.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?

Third Elected Member for Bodden Town.

*[Hon. Mary J. Lawrence, Speaker in the Chair]*

**Mr. Dwayne S. Seymour, Third Elected Member for Bodden Town:** Thank you, Madam Speaker. (Rarely, I get the chance to say Mr. Speaker.)

It is hard to get up after two great speakers such as the Minister of Education and the Fourth Elected Member for George Town.

This important piece of legislation here today brings me to my feet, and when the Fourth Elected Member for George Town approached me about this piece of legislation, he sat with me awhile and asked if it was something that I thought we should take to the Minister of Education to get his blessings. I thought it was something worthy of moving forward. And, Madam Speaker, it did not take us long to realise that this was very necessary in moving this piece of legislation along, and I thank him for bringing this forward. I was glad to second this Motion some many months ago. I was very encouraged the first time I heard what he was trying to do.

My experience, Madam Speaker, in trying to buy a house over ten years ago, I and my partner at the time, went to the bank and after many months of negotiations tried to buy a very small house, trying to make that our dreams realised. After a couple of months of negotiations, Madam Speaker, we came up short, less than \$10,000, because of the salaries we were making. This question of finding a deposit, Madam Speaker, is one of the biggest challenges that Caymanians face in trying to live an everyday life and deal with the many challenges that we have to deal with—rent, other costs, and then save also. Many people live from paycheque to paycheque, Madam Speaker. I know I have done that for many years. So, I know the struggle in trying to save and have that deposit for your dream.

Madam Speaker, for many years people got on the talk shows, wrote on the blogs, wrote in the newspapers about the many ways in which our pension fund should be used and how it should be brought back home and invested in the Cayman Islands; many suggestions, Madam Speaker. This is but one and I, am very proud to be on this Government's team that has brought such a very valuable piece of legislation to this House.

One of the greatest feelings and experiences is to own your home, Madam Speaker. I have had that feeling, Madam Speaker, and I know how it feels, I

know how hard it was to reach that goal in trying to own a home.

Madam Speaker, when we talk about the effects that this could possibly have, not only for today, but for future generations, it has been said that one of the greatest things to kick-start an economy is construction. And when we kick-start construction our middle class becomes strong again.

Madam Speaker, I am very happy with the careful construct of this amendment to this Bill, and how careful the Minister was in terms of the possible abuse that will be prevented because of how this amendment was carefully constructed. I am very proud of that. I know that was one of the concerns that many Members on the other side voiced in previous discussions.

Madam Speaker, owning a home is one of the single best investments that any person will make in their life. Some may say that this programme is not going to catch all. Madam Speaker, the truth is as we have heard many people say, there is no one programme that will catch all of the people of any country. And I think the more programmes that we can put in place to interest the different diverse sectors of our population the better it is. There are many programmes for getting houses, but this is one in an untapped fund that can now be utilised in our own Cayman Islands.

Madam Speaker, when some talk of not using this fund to have people purchase their own home, I must remind them that there are many opportunities in life, but there is none like hope. There is no opportunity like having hope. Many citizens, since hearing this announced many months ago, called me almost every day asking when it was going to the House, if it had passed yet. And there are a lot of people out there waiting to take advantage of this programme. I can see why, Madam Speaker. There is great social benefits in owning a home, Madam Speaker: 1) being a part of a community is a higher quality of life; 2) your children—it promotes structure that reduces distraction; 3) stability—it empowers them; 4) realising your Caymanian dream.

Madam Speaker, much has been said tonight and it is getting [to the] wee [hours], and other Members may want to speak. The Minister and the Fourth Elected Member for George Town eloquently went on, but as I stand here, I am proud to speak on this because of the difficulties that I personally had in trying to own a home. I wish that I'd had this opportunity. Many still see owning a home as essential despite the ups and downs. In some surveys, Madam Speaker, 81 per cent of persons agreed on the need to promote more policies that encourage home ownership in order to rebuild the middleclass.

Madam Speaker, this can only strengthen our economy. I thank the Minister for his support and all other Cabinet Members and our caucus Members, and the Fourth Elected Member for George Town.

Thank you, Madam Speaker.

**The Speaker:** Thank you Third Elected Member for Bodden Town.

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak?

Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, the Minister has just had to step out for a minute. But, Madam Speaker, I will rise then to offer my thanks to the mover and the seconder of the Motion, and to say I know how hard they have worked in the last year getting information, talking to people, fighting back the criticisms and the questions and being told it could not be done. And, Madam Speaker, I believe that this is a very worthy move on the part of the two Members, and of the Minister for getting it to this point. It took some time to do that.

Madam Speaker, I listened to the Leader of the Opposition who tried to throw some cold water on the effort but I think the Fourth [Elected] Member for George Town did an excellent job in defending the position, and actually bringing many, many answers to any questions that people might have had.

My own thought on it, Madam Speaker, is that anything which can be done to help, we have to do. And I do not see this as destroying the pensions. I see this as helping; certainly helping when you consider that a couple could have \$70,000 to do something with. It means a lot. One by itself means a lot. And so it means tremendous importance at a time when the economy, as I keep saying, is in a downward spiral as it has been.

Madam Speaker, I will stop there just to say thanks to the Fourth [Elected] Member for George Town for his hard work and his thought process and all those who helped him with it, and the Third Member for Bodden Town; both Members who have worked, and the Minister who, of course, brought the Bill.

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

If not, I call on the mover of the Bill to conclude the debate.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, I am certainly heartened that the House has indicated its unanimous support of the Bill. Madam Speaker, I would just like to make a few observations. Firstly, let me say that there can be no community that has too many programmes as it relates to access to either the ownership of land or a home. We understand clearly what home ownership

does. More importantly and measurably, we clearly understand what the lack of adequate housing does and how it impacts the lives of children.

If you take our "AT Risk Youth" register in the Ministry, a significant proportion of those young children and young people on that register come from homes that are inadequate in terms of just the housing provision where young children at a very young age get exposed to things that they should not, and it alters their behavior in school. More importantly, Madam Speaker, it alters them for life. I am not going to get into all of the details. We as legislators have seen it and we know it. So, anything that can assist in home ownership is crucially important.

For those in the community who want to make fanciful arguments about whether or not this Bill is going to destroy pensions, which I think all Members who have debated thus far, have concluded that it will not, and I agree with them. But, Madam Speaker, even if we boil this down to an individual level and say and accept that in a couple of instances it might put one, two, three; a number of people at a less than advantageous position as it relates to their ultimate retirement fund, if in that same vein, a portion of those people and their families—in particular let's deal with their children—their children's life chances are improved and turned around, then isn't it worth it? What price can we put on the life chances of our young people? In this thing called governance we have to look at the entire picture. We have to consider the entire picture.

I completely disagree with a point made by the Leader of the Opposition where he concluded that given the restrictions (mind you, he agrees with the restrictions), this Bill is going to be of very little utility. I think and believe that this Bill will have real utility.

Let me reiterate one crucial point: As it relates to the paying off of a mortgage, when you have two persons (a couple) who can access up to \$35,000 each (that is \$70,000), no one is going to tell me that there are not potentially some families out there—in particular families under distress because of the current economic downturn—that probably won't be able to access this facility and save a home. If we save one home, one family from foreclosure, it is worth it. A lot of us do not appreciate the devastation that that causes because we ourselves who are parents may not have ever gone through it. But I do believe that all of us either have family, friends or constituents who have, and we have seen that arduous battle to pick the pieces up and piece your life back together after you have lost a home.

So, I believe this Bill has real utility, but as Members who have spoken thus far have said, the Government had to put some very strong belts and braces around the legislation to ensure that it was not open to abuse, to ensure that the spirit of saving for retirements was an underpinning theme, even in a Bill that allows withdrawals. That is why we put provisions

in, that if you sell the property you have to return funding. That is why we put the provisions in that were able to make entries into the land registry so that people cannot go and sell the property unbeknown to government and be able to, as it were, make off with the money. That is why we put those in. They are necessary and crucially important.

I would like to take two minutes, Madam Speaker, to look very quickly though to what the Government is doing in addition to this. In addition to this, Madam Speaker, we are going to be releasing very shortly, and hopefully my caucus is going to be very efficient in getting through the main pensions reform legislation that we have been working on for over a year now. And when we do, we will be getting out for public consultation the piece of legislation that is going to go a long way to improving pensions in the country, but not just about enforcement.

Madam Speaker, the Government announced a year ago that wrapped in the overall exercise there is going to be a shift of the normal retirement age, from 60 to 65. I think all of us clearly recognise that 60 is a very young age; cliché, but the bottom line is, they say 60 is the new 40. How many 60 year olds aren't out there who are still very capable, mentally, physically to be able to work? How many of them do not have to still work simply because they cannot afford to retire?

And so, that is going to assist in this whole debate around sustainability of pensions, because the longer you can keep people in and the longer you can keep people contributing, the greater the potential is for them to actually have a pension that will last until God calls them home.

Madam Speaker, the Fourth Member for George Town spoke to the whole issue of investments and the capacity to invest in Cayman. I am also happy to report that the Ministry should soon be selecting its consultant for the completion of a brand new set of investment regulations. And that is front and centre a priority for the Government to ensure that we come up with safe and sound ways in which people's money can go as the Member as said, to help build our infrastructure. I encourage the Public Service to do the same.

Madam Speaker, this Government looks to the long term, and so I have included in the draft, three named additional voluntary contribution categories: One for Education, one for Health and one for Housing. So, what we are trying to do, Madam Speaker, is to build and inculcate in our people a desire to save and save more. Because what I am hoping it will do, is that 10, 15, 20 from now, Caymanians would look at those AVCs (additional voluntary contributions) and say you know what? *Yes I am going to contribute my mandatory 5 per cent, but I am also going to contribute something towards education so that when my child gets a scholarship I have actually saved something and have money that I can withdraw*

*instead of having to go to CIDB and take out a loan to fund the additional amount required to pay for education.* And, that people will put something aside just in case something serious happens to them health wise. And also, that people will put something aside in terms of additional voluntary contributions to assist with housing, that people will start to save 10 per cent or 15 per cent of their salary and be able to over a longer period of time, as the Fourth Member has said, when they reach that 35, 40, 45 age, if they have been putting in additional voluntary contributions earmarked for housing, for example, they will be able to have that all important deposit and not even have to touch their primary contributions towards their retirement.

So, the Government is doing this for today but it is also going to be providing a better way forward for the future. That is good governance, and that is good leadership.

Madam Speaker, I also want to point out that there will be three committee stage amendments. And given that committee is not covered in the normal proceedings, I think it is important for me to mention that we will be allowing for whatever restriction is placed on the land registry to be removed if the person contributes back into their pension fund the amount that they [took out]. So, for example, Madam Speaker, I could easily see that happening if a person goes and uses a deposit for the purchase of a piece of property (raw land). Let's say, the person finds a house lot for \$65,000 and only takes out say, \$6,000, and over a number of years puts back into their pension fund that equal amount, then they can have that restriction removed. That is an important committee amendment.

Madam Speaker, we are also adding CIDB (Cayman Islands Development Bank) to the list of named entities in the definitions. That was an oversight when we originally drafted the Bill.

Yes, Madam Speaker, there is another one that is more of a technical drafting point which has to do with the defence that persons can bring forward if for whatever reason there is a reasonable cause to not meet the obligations of the Law. And that is a standard type of provision in our legislation that was overlooked when this was originally being crafted, I believe.

Madam Speaker, before taking my seat, let me also go on record to congratulate my colleagues, the Fourth Member for George Town and the Third Member for Bodden Town for bringing this Bill, bringing it to the fore this Motion last year, and certainly working with me to ensure that this came to fruition. They are older than me but younger in terms of legislative experience. I hope that this is a learning experience for both of them, that negotiation in the art of compromise when it comes to legislation, and as legislators and in politics, generally, is crucially important. I believe this is a good Bill, I believe this Bill upholds

the spirit of the legislation, and I believe this Bill will help Caymanians.

Let me also thank Miss Karen from the Legislative Drafting Department for all of her hard work. I think Mr. AG you are going to owe her a long vacation when the main Bill is over because that is a massive piece of legislation and very important.

Let me also thank publicly, the National Pensions Board and the Pension Plan Administrators, for we consulted with them as we . . . well as under the Law I am obligated to consult the Board, but we also consulted and met with the Plan Administrators. And we have brought on board between the two entities, at least about five suggestions that they brought forward; very important to consult, very important to get other sets of eyes, especially experienced sets of eyes to look at legislation like this.

Let me also thank the Deputy Chief Officer in the Ministry, Mr. Vaughan Carter, and the Superintendent of Pensions, Miss Amy Wolliston for their work on the Bill. The Superintendent did an outstanding job in her technical review which also led to a number of other very important amendments being made before the Bill was finalized and taken to Cabinet. This was a true team effort. Pension is a very technical area. We realised that this Bill is a very serious Bill and had to get it right. And I believe that we have done just that; we have gotten it right.

So, Madam Speaker, thanks to all Members who have spoken and expressed their support, and for those who have not spoken, and my colleagues who I know are in support of the Bill.

**The Speaker:** Thank you, Minister of Education.

The question is that a Bill shortly entitled The National Pensions (Amendment) Bill, 2011, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

**Hon. Rolston M. Anglin:** Madam Speaker, can I have a division?

*[inaudible interjections]*

#### Division No. 14–2011/12

**Ayes: 9**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Elvio A. Solomon  
Mr. Dwayne S. Seymour  
Hon. Alden M. McLaughlin, Jr.

**Noes: 0**

#### **Absent: 6**

Hon. Juliana Y. O'Connor-Connolly  
Mr. D. Kurt Tibbetts  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller

**The Speaker:** The result of the division, 9 Ayes, 0 Noes and 6 absentees.

**Agreed: The National Pensions (Amendment) Bill, 2011, given a second reading.**

**The Speaker: The House will now go into committee to consider the Bills.**

**House in Committee at 8.26 pm**

### **COMMITTEE ON BILLS**

**The Chairman:** Please be seated.

The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Second Official Member to correct minor errors and such the like in these Bills?

Would the Clerk please state the Bill and read the Clauses?

#### **Immigration (Amendment) (No. 3) Bill, 2011**

**The Clerk:** The Immigration (Amendment) (No. 3) Bill, 2011.

Clause 1	Short title
Clause 2	Amendment of section 2 of the Immigration Law (2010 Revision) – definitions
Clause 3	Amendment of section 30 – persons legally and ordinarily resident in the Islands for at least eight years
Clause 4	Amendment of section 42 – application for work permit
Clause 5	Amendment of section 44 – consideration of application for work permit by Board or Chief Immigration Officer

**The Chairman:** The question is that clauses 1 through 5 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 5 passed.**

**The Clerk:**

Clause 6 Amendment of section 48 – grant or refusal of work permit.

**The Chairman:** There is an amendment.

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Chairman.

In accordance with the provisions of Standing Order 52(1) and (2), I, the Honourable Minister of Finance, Tourism and Development, give notice to move the following amendments to the Immigration (Amendment) (No. 3) Bill . . . Madam Chairperson, I think that there would have to be some consequential amendment, because I think it is actually the No. 2 Bill.

That the Bill be amended in clause 6 by deleting the words “or in respect of paragraph (c),”.

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If no Member wishes to speak, I will put the question. The question is that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it. The amendment stands part of the clause.

**Agreed: Amendment passed.**

**The Chairman:** The question is that clause 6 as amended stand part of the Bill. Does any other Member wish to speak? [pause] If not, I will put the question.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 6 as amended passed.**

**The Clerk:**

Clause 7 Amendment of section 52 – term limits

Clause 8 Insertion of section 52A – Term Limit Exemption Permit

**The Chairman:** The question is that clauses 7 and 8 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 7 and 8 passed.**

**The Clerk:** A Bill for a Law to amend the Immigration Law (2010 Revision) to vary the term limit provisions; to create a new category of employment authorisation; and to make provision for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### **Special Economic Zones Bill, 2011**

**The Clerk:** The Special Economic Zones Bill, 2011. Clause 1 Short title

**The Chairman:** The question is that clause 1 stands part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1 passed.**

**The Clerk:** Clause 2—Interpretation

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** In accordance with the provisions of Standing Order 52(1) and (2), I, the Honourable Minister of Finance, Tourism and Development, give notice to move the following amendments to the Special Economic Zone Bill, 2011: that the Bill be amended in clause 2 in the definition of “special economic zone business” by deleting “(c)” and substituting “(d)”; and in clause 8 . . . Madam Chair, do I move all of them?

**The Chairman:** No, just [clause] 2.

The amendment has been duly moved. Does any other Member wish to speak thereto? [pause]

If no Member wishes to speak, the question is that the amendment stands part of the clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 2 passed.**

**The Chairman:** The question now is that clause 2, as amended, stand part of the Bill. If no one wishes to speak, I will put the question.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2 as amended passed.**

**The Clerk:**

Clause 3	Establishment of the Special Economic Zone Authority
Clause 4	Secretariat
Clause 5	Functions of the Authority
Clause 6	Powers of the Authority
Clause 7	Duty of confidentiality

**The Chairman:** The question is that clauses 3 through 7 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 3 through 7 passed.**

**The Clerk:** Clause 8—Remuneration

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** In accordance with the provisions of Standing Order 52(1) and (2), I, the Honourable Minister of Finance, Tourism and Development, give notice to move the following amendments to the Special Economic Zone Bill, 2011: that the Bill be amended in clause 8 by inserting after the word "Authority" the words "other than a public officer".

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak there-to? [pause]

**The Premier, Hon. W. McKeever Bush:** Madam Chair, this is just to clarify that the public officers on the Special Economic Zone Authority are not eligible for remuneration for attending meetings of this board. That was raised by one of the Members. It is just clarifying that.

**The Chairman:** The question is that the amendment stands part of clause 8.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 8 passed.**

**The Chairman:** The question now is that clause 8, as amended, stand part of the Bill. If no one wishes to speak, I will put the question.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 8 as amended passed.**

**The Clerk:**

Clause 9	Protection from liability and indemnification
Clause 10	Declaration of special economic zone
Clause 11	Special economic zone deemed to be outside of the Islands
Clause 12	Declaration of developer and benefits

**The Chairman:** The question is that clauses 9 through 12 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 9 through 12 passed.**

**The Clerk:**

Clause 13	Requirement for trade certificate
Clause 14	Application for trade certificate
Clause 15	Request for further information
Clause 16	Grant or refusal of trade certificate
Clause 17	Issuance of trade certificate
Clause 18	Benefits of special economic zone enterprise and conditions

**The Chairman:** The question is that clauses 13 through 18 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 13 through 18 passed.****The Clerk:**

Clause 19	Price control
Clause 20	Investment and securities
Clause 21	Prohibition on transfer or assignment of trade certificate
Clause 22	Validity of trade certificate and annual fee
Clause 23	Amendment to trade certificate
Clause 24	Notification of changes of address, etc.

**The Chairman:** The question is that clauses 19 through 24 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 19 through 24 passed.****The Clerk:**

Clause 25	Voluntary surrender of trade certificate
Clause 26	Suspension or revocation of trade certificate
Clause 27	Register
Clause 28	Application of Immigration Law (2010 Revision)
Clause 29	Enforcement
Clause 30	Regulations

**The Chairman:** The question is that clauses 25 through 30 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 25 through 30 passed.**

**The Clerk:** Schedule 1—Constitution and procedure of Authority.

**The Chairman:** The question is that Schedule 1 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Schedule 1 passed.**

**The Clerk:** Schedule 2 - Benefits accruing to Developer of Cayman Enterprise City

**Amendment to Schedule 2**

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** In accordance with the provisions of Standing Order 52(1) and (2), I, the Honourable Minister of Finance, Tourism and Development, give notice to move the following amendments to the Special Economic Zone Bill, 2011: that the Bill be amended in in paragraph (b)(i)(C) of Schedule 2 by deleting the word "or" and substituting the word "and".

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak thereto? [pause]

If no Member wishes to speak, I will put the question that the amendment stands part of Schedule 2. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to Schedule 2 passed.**

**The Chairman:** The question now is that Schedule 2, as amended, stand part of the Bill.

If no Member wishes to speak, I will put the question. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Schedule 2 as amended passed.**

**The Clerk:** Schedule 3—Benefits accruing to special economic zone enterprises located in Cayman Enterprise City.

**The Chairman:** The question now is that Schedule 3 stand part of the Bill.

I will put the question. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Schedule 3 passed.**

**The Clerk:** A Bill for a Law to provide for the establishment and operation of special economic zones in

respect of certain types of businesses; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### **Auditors Oversight Bill, 2011**

**The Clerk:** The Auditors Oversight Bill, 2011.  
Clause 1 Short title

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeewa Bush:** I have an amendment.

[pause]

**The Premier, Hon. W. McKeewa Bush:** Madam Chair, I move the following amendment to the Auditors Oversight Bill, 2011, that the Bill be amended in the Arrangement of Clauses by deleting item 14 and substituting the following item "14. Additional directors".

So where it says "the directors" it will become "additional directors."

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak?  
[pause]

If not, I will put the question, that the arrangement of clauses be amended.

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

**Ayes.**

**The Chairman:** The Ayes have it. Clause 14 [sic] in the Arrangement of Clauses has been amended.

The question now is that the clause as amended stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Hon. Samuel W. Bulgin, Second Official Member:** Madam Chair, you said "clause 14", but I think you meant "item" 14.

**The Premier, Hon. W. McKeewa Bush:** Item 14.

**The Chairman:** I am sorry. All right. And I have it in my hand.

The question now is that in the arrangement of clauses, item 14 be amended. (Is that right?)

No Members wish to speak? I'll put the question that in the arrangement of clauses item 14 stands amended.

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

**Ayes.**

**Agreed: Item 14 in the Arrangement of Clauses amended.**

**The Speaker:** The Ayes have it. And the arrangement of clauses as amended will now stand part of the Bill.

**Agreed: Item 14 in the arrangement of clauses, as amended, passed.**

**The Clerk:** Clause 1 Short title.

**The Premier, Hon. W. McKeewa Bush:** Madam Chair, there are a number of short amendments that clean up the Bill. I want to say to honourable Members that this is a new piece of legislation and a difficult one, in that we went to and fro with the private sector on this. And, of course, in the debate some things did pop up that need to be corrected. Therefore, there are several very short amendments.

In clause 1 we move the following amendment: "(1) Short title and commencement, which states that "This Law may be cited as the Auditors commencement Oversight Law, 2011."

And "(2) That this Law shall come into force on such date as may be appointed by Order made by the Governor in Cabinet and different dates may be appointed for different provisions of this Law and in relation to different matters."

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If not, I will put the question that the amendment stands part of clause 1.

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

**Ayes.**

**Hon. Samuel W. Bulgin, Second Official Member:** Madam Chair, just as a matter of record, I want to make sure that what the Honourable Premier has advocated is, that clause 1 be deleted and the following clause be substituted:

"(1) This Law may be cited as the Auditors commencement Oversight Law, 2011."

And “(2) That this Law shall come into force on such date as may be appointed by Order made by the Governor in Cabinet and different dates may be appointed for different provisions of this Law and in relation to different matters.”

So, it is a substituted clause 1 that is being proposed.

**The Chairman:** The question is that the new clause 1 stands part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: New clause 1 passed.**

**The Chairman:** Thank you, Honourable Attorney General.

**The Clerk:** Clause 2—Interpretation.

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you.

I move the following amendments to the Auditors Oversight Bill, 2011:

That the Bill be amended in clause 2 in the definition of “transferable securities” by deleting the words “with the exception of instruments of payment,” and placing the same words before the words “which are negotiable.”

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If no Member wishes to speak, I will put the question that the amendment stands part of clause 2.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 2 passed.**

**The Chairman:** The question now is that clause 2 as amended stand part of the Bill.

If no Member wishes to speak, I will put the question.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2 as amended passed.**

**The Clerk:**

Clause 3 Establishment and functions of Authority.

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** I move that the Bill be amended in clause 3(2) by inserting before the words “quality assurance” the word “oversight,”.

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If no Member wishes to speak, I will put the question that the amendment stands part of clause 3.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 3 passed.**

**The Chairman:** The question now is that clause 3 as amended stands part of the Bill.

If no Member wishes to speak, I will put the question. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 3 as amended passed.**

**The Clerk:**

Clause 4 Share capital  
Clause 5 Powers of Authority

**The Chairman:** The question is that clauses 4 and 5 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 4 and 5 passed.**

**The Clerk:** Clause 6 Board

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Chair, I move that the Bill be amended in clause

6(2)(b) by deleting the word “Attorney” and substituting the word “Auditor”.

Madam Chair, that is to correct an error in the reference used in [clause] 6(2)(b) which refers to the Attorney General; it should indeed refer to the Auditor General.

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If not, I will put the question that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 6 passed.**

**The Chairman:** The question now is that clause 6, as amended, stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 6 as amended passed.**

**The Clerk:** Clause 7—Directors.

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** I move that the Bill be amended in clause 7 by deleting sub-clause (3) and renumbering sub-clause (4) as sub-clause 3.

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If not, I will put the question that the amendment stands part of the clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 7 passed.**

**The Chairman:** The question is that the clause as amended stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 7 as amended passed.**

**The Chairman:** We do need to hear the Ayes and Noes for the records.

**The Clerk:** Clause 8—Managing Director.

**The Chairman:** Honourable Premier:

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I move that the Bill be amended in clause 8 as follows: in sub-clause (1) by deleting the word “Board” and substituting the words “Governor in Cabinet”; and by deleting sub-clause (2) and substituting the following: “(2) The Managing Director shall be employed on such terms and conditions of service as the Governor in Cabinet may decide.”;

In sub-clause (5) by inserting after the word “inability” the words “except that the Governor in Cabinet may delegate such authority to the Board”; and

In sub-clause (6)- by deleting the word “Board” where it first appears and substituting the words “Governor in Cabinet”.

Madam Chair, this is to clarify clause 8(1) so that it is the Governor in Cabinet and not the Board that appoints the managing director, determines his or her terms of service in sub-clause (2) and has the power to terminate the appointment in sub-clause (3). And to further clarify in sub-clause (8) that through sub-clause (5) the Governor in Cabinet may delegate authority to the Board in the event of the managing director’s inability to act.

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If not, I will put the question that the amendment stands part of the clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 8 passed.**

**The Chairman:** The question is that clause 8 as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 8 as amended passed.**

**The Clerk:**

Clause 9 Disqualification and termination of appointment  
 Clause 10 Meetings  
 Clause 11 Committees  
 Clause 12 Declaration of interest  
 Clause 13 Pecuniary interest

**The Chairman:** The question is that clauses 9 through 13 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 9 through 13 passed.**

**The Clerk:** Clause 14 Directors

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I move that the Bill be amended in clause 14 by deleting the marginal note and substituting the following marginal note -“Additional directors”.

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If not, I will put the question that the amendment stands part of clause 14.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 14 passed.**

**The Chairman:** The question is that clause 14 as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 14, as amended, passed.**

**The Clerk:**

Clause 15 Appointment of staff and fund  
 Clause 16 Delegation  
 Clause 17 Qualification for appointment as auditor  
 Clause 18 Register of recognized auditors  
 Clause 19 Eligibility for entry on register  
 Clause 20 Application for entry on register

**The Chairman:** The question is that clauses 15 through 20 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 15 through 20 passed.**

**The Clerk:** Clause 21 Circumstances in which action may be taken under section 20(5).

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I move that the Bill be amended in Clause 21(2) by inserting after the word “public” the words “after the final determination of all appeals”.

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If not, I will put the question that the amendment stands part of clause 21. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 21 passed.**

**The Chairman:** The question is that clause 21 as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 21 as amended passed.**

*[Pause—Committee not quorate]*

*[inaudible interjection]*

**The Chairman:** Once it has been drawn to the attention of the House, I have to ask another Member to come in.

*[inaudible interjections and laughter]*

**The Chairman:** We're waiting for one more.

*[pause]*

**The Clerk:**

Clause 22 Annual confirmation of entry on register  
 Clause 23 Notifications  
 Clause 24 Content of register  
 Clause 25 Public inspection of register

**The Chairman:** The question is that clauses 22 through 25 stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 22 through 25 passed.**

**The Clerk:** Clause 26 Confidentiality.

**The Premier, Hon. W. McKeeva:** Madam Chair, I move that the Bill be amended in clause 26 as follows: In sub-clause (5) by deleting the words "an auditor" and substituting the words "a recognized auditor". In sub-clause (7) by deleting the word "person" where it occurs in that sub-clause and substituting the word "recognized auditor". In sub-clause (8) as follows- by deleting the words "an auditor" and substituting the words "a recognized auditor"; by deleting the words "the auditor's" and substituting the words "the recognized auditor's"; by deleting the words "the auditor" and substituting the words "the recognized auditor".

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If not, I will put the question that the amendment stands part of clause 26.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 26 passed.**

**The Chairman:** The question is that clause 26 as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 26 as amended passed.**

**The Clerk:**

Clause 27 Immunity

Clause 28 Accounts  
 Clause 29 Rules  
 Clause 30 Monitoring of compliance

**The Chairman:** The question is that clauses 22 through 25 stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 27 through 30 passed.**

**The Clerk:**

Clause 31 Obligations of recognized auditors.

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Chair, that the Bill be amended in clause 31(2)(c) by inserting after the word "shall" the words "subject to this Law".

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If not, I will put the question that the amendment stands part of clause 31.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 31 passed.**

**The Chairman:** The question is that clause 31 as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 31 as amended passed.**

**The Clerk:**

Clause 32 Notification by person to whom functions of Authority are delegated  
 Clause 33 Regulations

**The Chairman:** The question is that clauses 32 and 33 stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 32 and 33 passed.**

**The Clerk:** A Bill for a Law to provide for the regulation of auditors of market traded companies; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **National Pensions (Amendment) Bill, 2011**

**The Clerk:** The National Pensions (Amendment) Bill, 2011.

Clause 1            Short title.

**The Chairman:** The question is that clause 1 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1 passed.**

**The Clerk:** Clause 2— Insertion of Part VIIA in the National Pensions Law (2010 Revision) - withdrawal of pension funds to purchase or construct dwelling unit, purchase residential land or pay off an existing mortgage in the Islands.

**Hon. Rolston M. Anglin:** Madam Chair, I beg to move the following amendment [in clause 2 as follows]:

In section 52A – By inserting in the correct alphabetical sequence the following definition: “Cayman Islands Development Bank” means the Cayman Islands Development Bank established under section 3 of the Development Bank Law (2004 Revision); and

In the definition of financial institution by inserting after the word “Islands” the words “or the Cayman Islands Development Bank”.

In section 52G—By renumbering subsection (2) as subsection (3); and by inserting before section (3) as renumbered, the following subsection: “(2) Notwithstanding section 134 of the Registered Land law (2004 Revision), a restriction entered pursuant to this section shall not be removed unless the total amount

withdrawn under section 52B or 2C is repaid as additional contributions or on the sale of the dwelling unit or residential land.”

Inserting after section 52G the following section: “Defence 52H. It shall be a defence to a prosecution under section 52B, 52C, 52D or 52E that a person took all reasonable steps to comply with section 52B, 52C, 52D OR 52E, as the case may be.”

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

If not, I will put the question that the amendment as outlined stands part of clause 2.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 2 passed.**

**The Chairman:** The question is that clause 2 as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2 as amended passed.**

**The Clerk:**

Clause 3            Insertion of schedule in the National Pensions Law (2010 Revision) - form

**The Chairman:** The question is that clause 3 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 3 passed.**

**The Clerk:** A Bill for a Law to amend the National Pensions Law (2010 Revision) to provide a mechanism whereby an amount may be withdrawn from an account in a pension plan as a deposit for the purchase or construction of a dwelling unit or the purchase of residential land or to pay off an existing mortgage on residential land in the Cayman Islands; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question now is that the Bills be reported to the House. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills considered by the Committee to be reported to the House.**

**House resumed at 9.20 pm**

**The Speaker:** The House will now resume. Please be seated.

## **REPORT ON BILLS**

### **Immigration (Amendment) (No. 3) Bill, 2011**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I have to report that a Bill for a Law to amend the Immigration Law (2010 Revision) to vary the term limit provisions, to create a new category of employment authorisation; and to make provision for incidental and connected purposes was examined in a Committee of the House and amended.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Special Economic Zones Bill, 2011**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I have to report that a Bill entitled the Special Economic Zones Bill, 2011, was examined in Committee of the House and amended.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Auditors Oversight Bill, 2011**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I have to report that a Bill entitled the Auditors Oversight Bill, 2011, was examined in Committee of the House and amended.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **National Pensions (Amendment) Bill, 2011**

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

**Hon. Rolston M. Anglin:** Madam Speaker, I am to report that a Bill shortly entitled, The National Pensions (Amendment) Bill, 2011, was considered by a Committee of the whole House and amended.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

## **THIRD READINGS**

### **[Special Economic Zones Bill, 2011]**

**[The Speaker:** Honourable Premier.]

**[The Premier, Hon. W. McKeewa Bush:** Thank you, Madam Speaker.

I move that a Bill shortly entitled The Special Economic Zone Bill, 2011, be given a third reading and passed.]

**[The Speaker:** The question is that a Bill shortly entitled The Special Economic Zone Bill, 2011, be given a third reading and passed.

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

**[Ayes.]**

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

**[Agreed: The Special Economic Zone Bill, 2011 given a third reading and passed.]**

### **[Auditors Oversight Bill, 2011]**

**[The Speaker:** Honourable Premier.]

**[The Premier, Hon. W. McKeewa Bush:** Thank you, Madam Speaker.

I move that a Bill shortly entitled The Auditors Oversight Bill, 2011, be given a third reading and passed.]

**[The Speaker:** The question is that a Bill shortly entitled The Auditors Oversight Bill, 2011, be given a third reading and passed.]

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

**[Ayes.]**

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

**Agreed: The Auditors Oversight Bill, 2011 given a third reading and passed.**

#### **Suspension of Standing Order 47**

**The Clerk:** Suspension of Standing Order 47 to enable the Immigration (Amendment) (No. 3) Bill, 2011 and the National Pensions (Amendment) Bill, 2011 to be read a third time.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Order 47 to enable the Immigration (Amendment) [(No. 3)] Bill, 2011 and the National Pensions (Amendment) Bill, 2011 to be given a third reading.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the Immigration (Amendment) (No. [3]) Bill, 2011, and the National Pensions (Amendment) Bill, 2011, to be read a third time.

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

**Ayes.**

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

**Agreed: Standing Order 47 suspended.**

#### **Immigration (Amendment) (No. 3) Bill, 2011**

**The Clerk:** The Immigration (Amendment) (No. 3) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I move that the Bill for a Law to amend the Immigration Law (2010 Revision) to vary the term limit provisions, to create a new category of employment authorisation; and to make provision for incidental and connected purposes be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled the Immigration (Amendment) (No. 3) Bill, 2011

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

**Ayes.**

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

**Agreed: The Immigration (Amendment) (No. 3) Bill, 2011 given a third reading and passed.**

#### **National Pensions (Amendment) Bill, 2011**

**The Clerk:** The National Pensions (Amendment) Bill, 2011.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

I move that a Bill shortly entitled the National Pensions (Amendment) Bill, 2011, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled the National Pensions (Amendment) Bill, 2011, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The National Pensions (Amendment) Bill, 2011 given a third reading and passed.**

### **MOTIONS**

#### **Government Motion No. 3/2011-12—The Cinematograph (Amendment) Rules, 2011**

**The Speaker:** Honourable Minister of Community Affairs, Gender and Housing.

**Hon. Michael T. Adam, Minister of Community Affairs, Gender and Housing:** Thank you, Madam Speaker.

I beg to move Government Motion No. 3/2011-12—The Cinematograph Law (2009 Revision)—The Cinematograph (Amendment) Rules, 2011.

**WHEREAS section 9 of the Cinematograph Law (2009 Revision) provides that the Cinematograph Board may, with the advice and consent of the Legislative Assembly, make such Rules as may be deemed expedient for the matters specified in the section;**

**AND WHEREAS pursuant to the said section a draft of the Cinematograph (Amendment) Rules, 2011 has been prepared and presented to this Honourable House for its advice and consent as to the making thereof;**

**BE IT NOW THEREFORE RESOLVED THAT this Honourable House do advise and consent to**

**the making of the said Cinematograph (Amendment) Rules, 2011.**

**The Speaker:** The Motion has been duly moved. Does the Honourable Minister wish to speak thereto?

**Hon. Michael T. Adam:** Briefly, Madam Speaker.

The Cinematograph Law was enacted in 1963 and from its inception the Cinematograph Authority consisted of the Governor, three elected members and one other member nominated annually by the Legislative Assembly.

In 2002, the Cinematograph Authority Board members were allowed to lapse and no new members were appointed until 2007 when the Authority was reformed to review an application for Cinematographic licence by Camana Bay (CB) Cinemas. The Board of 2007 only met once and no other board had been appointed until 2011.

Madam Speaker, following the reconstitution of the Board, amendments to the Cinematograph Law were made in 2008 to change the Cinematograph Authority to a more fitting and representative Cinematograph Board. In the 2008 amended Law, the changes enabled Cinematograph Authority to not have to perform administrative and financial functions of a statutory authority as would be required by the Public Management and Finance Law (2005 Revision).

Madam Speaker, the amended Law also removed Elected Members of the Legislative Assembly as members of the statutory boards. When the Law was passed in August 2008, the Governor was removed as chairman of the Authority, and the appointment of the Chairman of the Board is now the role of the Governor in Cabinet. Madam Speaker, the Board will now only be charged with providing responsive governance and effective oversight and be free of the daily operational requirements of a statutory authority.

Madam Speaker, amendments to the Cinematograph Rules under section 9 of the Cinematograph Law (2009 Revision): "The Board may, with the advice and consent of the Legislative Assembly, make such rules as may be deemed expedient for-

- (a) regulating and controlling mutoscope, cinematograph and other similar exhibitions;
- (b) regulating the granting of permission under section 4;
- (c) regulating the health and safety of the public in connection with conducting of cinematograph exhibitions; and
- (d) regulating the health and welfare of children in relation to their attendance at cinematograph exhibitions."

Madam Speaker, following the approval of the Cinematograph Law (2008 Revision) the then Cabinet advised that approval should be given for the Cinematograph (Amendment) Rules, 2008. Essentially, the required change to the Cinematograph Rules (2003

Revision) was to: (1) remove the word "Authority" and substitute "Board"; (2) remove the word "Governor" and substitute that with "Chairman of the Board"; and (3) establish a quorum of three for board meetings.

Madam Speaker, the minor word changes to the Cinematograph Rules to make it in compliance with the changes in the Cinematograph Law were reviewed by the new Board and are now being presented as the Cinematograph (Amendment) Rules, 2011, to the Legislative Assembly for advice and consent.

I would like to take this opportunity to thank you, Madam Speaker, and other honourable Members of the Legislative Assembly for giving me your full attention to bring this Motion forward. I now recommend the Cinematograph (Amendment) Rules, 2011, for the favourable consideration of this honourable House and I look forward to its approval by honourable Members of this House.

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

If not, I am going to call on the honourable mover of this Motion to exercise his right of reply.

**Hon. Michael T. Adam:** Thank you, Madam Speaker. I thank this honourable House for their passive support.

Thank you.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED THAT this Honourable House do advise and consent to the making of the said Cinematograph (Amendment) Rules, 2011.

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

**Ayes.**

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

**Agreed: Government Motion No. 3/2011-12—The Cinematograph (Amendment) Rules, 2011, passed.**

**The Speaker:** I am going to call for a motion for the adjournment.

Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I had one statement that I think was given notice of.

**The Speaker:** Um—

[inaudible interjection]

**The Premier, Hon. W. McKeeva Bush:** [Addressing inaudible interjection] Yes, this time of night.

Not long.

**The Speaker:** Yes, yes, all right. It's not very long, it's—

### STATEMENT BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

#### Cost of the Ministerial Retreat on Cayman Brac

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Members of this House will know that the elected Government had a ministerial retreat on Cayman Brac from Wednesday evening, 31 August, to Saturday evening 3 September. The ministerial retreat took place on Thursday and Friday the 1<sup>st</sup> and 2<sup>nd</sup> of September and a town hall meeting was held on Saturday, the 3<sup>rd</sup> of September. The retreat was attended by all Honourable Ministers and Members of the Assembly that make up Government's backbench, chief officers, chief financial officers and other senior civil and public servants from all ministries of government and entities that fall under the responsibility of government ministries.

From the elected Government's view point and that of the civil and public servants' perspective, the retreat was a resounding success.

The Government has received representations that certain inaccuracies have been publicly aired about the cost of the retreat, and particularly so by the Member for North Side.

The purpose of this brief statement is twofold. Firstly, to provide the actual cost of the retreat which will cast the inaccuracies into the garbage bin where they should belong; and secondly, to demonstrate that this Government is financially prudent.

Madam Speaker, I will now detail the actual cost, stated in Cayman Islands dollars incurred on the retreat:

Ministry	Airfare	Accommodation/Meals	Vehicle rental	Total CI\$
Education, Training and Employment	1,823.02	2,096.85	628.78	4,548.65
Health, Environment, Youth, Sports, Culture	1,144.50	1,800.00	549.93	3,494.43
Community Affairs, Gender, Housing	460.00	1,206.00	605.60	2,271.60
Finance, Tourism, Development	2,337.30	7,088.45	107.20	9,532.95
District Administration, Works, Lands, Agriculture	3,292.38	Airfare: 21,367.45 Facilitation: 12,000.00	618.58	37,278.41

The Ministry of Finance, Tourism and Development incurred total costs of \$9,532.95 because we had to host the town hall and the public of Cayman

Brac on two occasions which put the amount for the meals and accommodation up to the \$7,088.45.

The total cost for the Ministry of District Administration, Works, Lands, Agriculture was \$37,278.41, and that was because the setting up of the various things that the Minister had to do and the accommodation and meals and the various people coming and going took the greater amount of that cost. And, of course, Madam Speaker, added to that was the facilitator for the retreat.

Madam Speaker, the overall cost for the three-day retreat was \$57,126.04. This amount is significantly less than the "several hundred thousands of dollars" spoken about by the Member for North Side on the airwaves of these Islands. When one divides \$57,126.04 by three, because the retreat was essentially over a three-day period and by conservatively the 75 people that attended the retreat from Grand Cayman, the resulting daily cost per person is \$254 per person.

Madam Speaker, the conclusion has to be that this demonstrates clearly the financial prudence exercised by this Government.

It is irresponsible for the Member of North Side to say the things that he usually says, but he doesn't care.

Madam Speaker, I just want to add one point.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** *[Replying to the interjection]* I don't know anything about that. That wasn't Government's cost.

Madam Speaker, if people have to go out on the weekend and enjoy themselves, I am sure that they pay for it themselves.

But one of the things that is not noted here in this that I would like to point out, is that in a small place like Cayman Brac (and a lot of people said this to me), that for that weekend that \$57,000 for those three days, when you do the trickledown effect and the multiplier effect it meant a lot to that small industry in those couple of days. Restaurants . . . Madam Speaker, this is the Government cost, I should add to that. Many of us spent on our own.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** On our own; our own money!  
*[Inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Well, the Member from George Town who is shouting over there, the Leader of the Opposition, he knows about this kind of thing, you know, Madam Speaker, because he was a bigger proportion of that doing that kind of thing before.

*[Laughter]*

**The Premier, Hon. W. McKeever Bush:** Anyway, I thought it important, Madam Speaker, because to set the record straight.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** *[Replying to the interjection]* No; you should not be ashamed to own the Lord, buddy; you should be ashamed for doing that stuff that you did.

**The Speaker:** Um—

**The Premier, Hon. W. McKeever Bush:** Madam Speaker—

**The Speaker:** Can we just have that motion for the adjournment now please?

## ADJOURNMENT

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the adjournment of this honourable House sine die. I hope that we can come back here, not this week but the following week, Monday, work at least Monday and Wednesday.

And so, Madam Speaker, the business on the Order Paper today that did not get dealt with will naturally go over to that next meeting.

**An hon. Member:** No. Next sitting?

**The Premier, Hon. W. McKeever Bush:** Sitting. Yes, correct.

Madam Speaker, I do want to thank everyone. These last few days were very testing for us. I certainly want to thank you and the Clerk and Deputy Clerk who were here, and the Serjeant of the House for staying up this late. And of course other civil servants, my own staff, the Financial Secretary, Dr. Dax Basdeo and Mr. Sam Rose, and Mr. Franz Manderson and the Chief Immigration Officer; all of them were here for many hours throughout this day until late into the night. I want to thank them because this was important business. Some of it had to be rushed, Madam Speaker, and I make apologies because we had to rush some, because at times it demands it, and the business of the country demands it. It is not just to do this just because we can do it. We wouldn't be here ten o'clock at night if this were not important, certainly not on a Friday night when I know the Leader of the Opposition wants to be out gallivanting so much. But he will have time now to go.

Madam Speaker, I thank you very much.

*[Laughter and inaudible interjections]*

**The Speaker:** The question is that this honourable House do adjourn sine die, and that the balance of the

Order Paper before the House be carried over to the next sitting.

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

**Ayes.**

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

**At 9:47 pm the House stood adjourned sine die.**