



**MINUTES**

**OF THE**

**HONOURABLE JAMAICA HOUSE**

**OF REPRESENTATIVES**

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At a meeting of the Members of the House of Representatives held pursuant to adjournment at Gordon House in the City and Parish of Kingston on Tuesday, the

16<sup>TH</sup> DAY OF SEPTEMBER, 2009

The House met at 2:29 p.m.

**PRAYERS**

Prayer was offered by the Reverend Thwaites

**CALL OF THE ROLL**

**PRESENT WERE:**

Hon. Delroy Hawmin Chuck, Speaker

Mrs. Marisa Colleen Dalrymple-Philibert, Deputy Speaker

Hon. Audley Fitz Albert Shaw, Minister of Finance & the Public Service

Hon. James Rudolph Edward Robertson, Minister of Mining and Energy

Hon. Neville Andrew Gallimore, Minister of State in the Ministry of Labour and Social Security & Deputy Leader of the House

Hon. Clifford Everald Errol Warmington, Minister of State in the Ministry of Water and Housing

Hon. Daryl Wesley Phillip Vaz, Minister without Portfolio in the Office of the Prime Minister with responsibility for Information and Communication

Hon. Robert St. Aubyn Montague, Minister of State in the Office of the Prime Minister

Dr. St. Aubyn Bartlett, M.P., St. Andrew, Eastern

Mr. Luther Bartley Monteith Buchanan, M.P., Westmoreland, Eastern

Mr. Roger Harold Clifford Clarke, M.P., Westmoreland, Central

Dr. Omar Lloyd Davies, M.P., St. Andrew, Southern

Mr. Colin Alfred Alexander Fagan, M.P., St. Catherine, South Eastern

Dr. Morais Valentine Guy, M.P., St. Mary, Central

Ms. Lisa Rene Shanti Hanna, M.P., St. Ann, South Eastern

Dr. Esmond Vernal Patrick Harris, M.P., Trelawny, Northern

Mrs. Sharon Merle Hay-Webster, M.P., St. Catherine, South Central

Mrs. Maxine Antoinette Henry-Wilson, M.P., St. Andrew, South Eastern

Mr. George Anthony Hylton, M.P., St. Andrew, Western

Mr. Othneil Damion St. Elmo Lawrence, M.P., St. Ann, North Western

Mr. Desmond Gregory Mair, M.P., St. Catherine, North Eastern

Mrs. Natalie Gaye Neita-Headley, M.P., St. Catherine, East Central

Mr. Phillip Feanny Paulwell, M.P., Kingston Eastern & Port Royal

Mr. Tarn Andrew Peralto, M.P., St. Mary, South Eastern

Dr. Peter David Phillips, M.P., St. Andrew, East Central

Mr. Robert Dixon Pickersgill, M.P., St. Catherine, North Western

M. Michael Stern, M.P., Clarendon, North Western

Rev. Ronald George Thwaites, M.P., Kingston, Central

Mr. Franklyn Robert Witter, M.P., St. Elizabeth, South Eastern

### **ANNOUNCEMENTS**

The Clerk laid on the Table of the House a copy of the following:

Report of the Public Administration and Appropriations Committee  
of the House of Representatives on its deliberations on the  
Ministry of Labour and Social Security  
(Presented by the Houses of Parliament)

National Water Commission  
Annual Report for 2006-2007  
(Presented by the Ministry of Water and Housing)

**Ministry Paper No. 103/09**  
JOS Property at 5 Millsborough Crescent  
Kingston 6  
(Presented by the Ministry of Transport and Works)

**Ministry Paper No. 104/09**  
Increase in Toll Tariffs o September 5, 2009  
(Presented by the Ministry of Transport and Works)

### **BILLS BROUGHT FROM THE SENATE**

The Clerk presented the following message from the President of the Senate:

#### **TO THE HONOURABLE HOUSE OF REPRESENTATIVES**

I have the honour to advise the Honourable House of Representatives that on the 31<sup>st</sup> day of July, 2009, a Bill entitled "AN ACT to Amend the Income Tax Act and to validate the collection of interest on unpaid taxes due under notices of return filed under section 67 of the Act", was passed in the Senate without amendment.

Oswald G. Harding  
President of the Senate

## **REPORTS FROM COMMITTEES**

Dr. Morais Guy on behalf of the Chairman, laid on the Table of the House a copy of the Report of the Public Administration and Appropriations Committee on its deliberations on the Ministry of Labour and Social Security.

### **REPORT OF THE PUBLIC ADMINISTRATION AND APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES ON OUR DELIBERATIONS ON THE MINISTRY OF LABOUR AND SOCIAL SECURITY**

Members of this Honourable House are reminded that on March 27, 2008, on a motion moved by the Leader of the House, the following resolution was passed by the House of Representatives:

BE IT RESOLVED that notwithstanding Standing Order No. 68(3) and in accordance with Standing Order No. 73A this Honourable House appoint a Public Administration and Appropriations Committee comprising the following Members:

Dr. Kenneth McNeill – Chairman  
Hon. Robert Montague  
Hon. Michael Stern  
Mr. Ernest Smith  
Dr. St. Aubyn Bartlett  
Mr. Desmond Mair  
Mr. Franklyn Witter  
Mr. Tarn Peralto  
Mr. Othneil Lawrence  
Mr. Fitz Jackson  
Mr. Phillip Paulwell  
Dr. Morais Guy  
Rev. Ronald Thwaites  
Dr. Donald Duncan  
Mr. Ian Hayles

Members are also reminded that on October 28, 2008, this Honourable House passed a resolution amending the membership of the committee to include Mrs. Natalie Natalie Neita-Headley in place of Mr. Fitz Jackson.

Members are further reminded that, by virtue of a resolution passed by this Honourable House on the 31<sup>st</sup> of March 2009, the composition of the committee, as set out above, was made to continue in force for the current session of Parliament and the committee empowered to proceed with matters that were before it from the stage reached at prorogation.

The committee's terms of reference as set out in Standing Order 73A are as follows:

The Public Administration and Appropriations Committee shall have the duty of—

- (a) examining budgetary expenditure of Government agencies to ensure that expenditure is done in accordance with parliamentary approval;
- (b) monitoring expenditure as it occurs and keeping the Parliament informed of how the Budget is being implemented; and
- (c) enquiring into the administration of the Government to determine hindrances to efficiency and to make recommendations to the Government for improvement of public administration.

Your committee held one meeting with representatives of the Ministry of Labour and Social Security in the current session of Parliament on June 3, 2009. We received technical assistance from the Deputy Financial Secretary with responsibility for Public Expenditure from the Ministry of Finance and the Public Service. We now have the honour to present our findings and recommendations.

## **INTRODUCTION**

The social sector policy objectives of the Government of Jamaica were dependent on the programmes and activities of the Ministry of Labour and Social Security. Our deliberations with the Ministry's representatives brought to light positive developments such as the establishment of the Overseas Employment Family Services Unit, which sought to bring redress to neglected relatives of some beneficiaries of the Overseas Employment Programme. Notwithstanding, we were somewhat perturbed by certain other matters that were raised during the sitting. Among them were the seemingly artificial poverty line and the implications of an aging population for the viability of the National Insurance Scheme. The eligibility criteria for the Programme of Advancement through Health and Education (PATH) and the differential benefits provided to participants were also found to be in need of urgent attention.

## **FINDINGS AND RECOMMENDATIONS**

### **Budget**

According to the Ministry's Status Report, the recurrent budget for the 2009/2010 fiscal year was \$1.922 billion, while the Capital B budget amounted to \$3 billion. Revenue estimates for the period stood at \$954.89 million. At the time of our consultation with the Ministry, \$420 million of the \$3 billion allocated to the PATH programme had already been spent, with differential payments being made to beneficiaries on an ongoing basis. Approximately \$8

million from the \$55 million budget for promoting social integration had been utilised; thirty one of a total of 480 disabled persons targeted for assistance with self-help projects had benefited thus far. Activities carried out by the Jamaica Productivity Centre in keeping with their mandate to provide a framework for achieving a flexible and responsive labour market had resulted in the expenditure of \$2.29 million of a total budget of 25.42 million, while the Special Youth Employment and Training Project had utilised \$1.15 million of its \$37 million allocation.

### **The National Insurance Scheme**

Your committee was informed that the National Insurance Scheme was threatened, as the proportion of the population that had attained the age of retirement was steadily increasing. At present, there were 270,000 persons over the age of 60, but that figure was expected to reach 320,000, or 14.2% of the population by 2020 and 600,000, or 21.8% of the population by 2050. The annual cost of weekly pensions already exceeded yearly contributions by \$2 billion dollars. This was due in part to the fact that payments had been increased more frequently than contribution rates, but more so to the delinquency of approximately 250,000 of the 700,000 or 800,000 persons who were deemed to be able to contribute to the fund.

***Your committee therefore recommends** that the Ministry intensify its public relations efforts to encourage persons to prepare for retirement by contributing to the National Insurance Scheme.*

***Your committee further recommends** that the relevant laws be reviewed with a view to determining how they might be amended to enforce participation, perhaps by mandating that proof of contribution to the National Insurance Scheme is required for transacting business with Government entities.*

***Your committee also took note of** a proposal to re-examine the retirement age in the light of increasing life expectancy.*

### **The National Insurance Fund**

Your committee was of the view that the National Insurance Fund should be prudently invested in ventures that would help to uplift the nation and the workers who contributed to it, thereby enabling even more citizens to participate in the programme, and not funnelled into established financial institutions whose profits were ultimately remitted abroad. We were

advised that several viable businesses had been created thanks to the sum of \$1 billion that had been allocated to small business development from the fund approximately three years previously and some of these had generated additional employment. Six hundred and fifty million dollars (\$650 million) had been used to provide small business loans at 4% interest; we were assured by representatives of the Ministry that these were being serviced. We were further informed that the remainder of the money was to be used to assist persons who had experienced redundancy, as some 15,000 cases had been reported to the Ministry between October of 2008 and June of 2009.

***Your committee endorses this proposal** and further recommends that the investment policy of the National Investment Fund, which has been submitted to the Ministry of Finance and the Public Service for approval, be reviewed so as to ensure that local, development-enhancing investment is facilitated.*

#### **The Poverty Line**

Your committee was concerned that the poverty line, which, in essence, stipulated that a family of five that earned \$5800 per week or a single person who made \$1,500 for the same period was not poor, might affect public policy and lead to a faulty assessment of the country's economic situation by international agencies, as it was unrealistically low. Moreover, we felt that it reflected poorly on expectations at official levels as to what constituted acceptable living standards for Jamaica's people. We were informed that the existing poverty line had been based on figures for 2007 and was being reviewed by the Planning Institute of Jamaica at the time of the meeting.

***Your committee therefore recommends** that this review be completed post-haste and the poverty line updated accordingly.*

#### **Programme of Advancement through Health and Education**

##### *Inequitable distribution of benefits*

Members of your committee were disturbed by the revelation that beneficiaries of the Programme of Advancement through Health and Education (PATH) who were upper secondary students received \$1100 while younger children, pregnant and lactating women, persons with disabilities and elderly persons received only \$650. In particular, some of us were of the view

that this differential allocation imposed a cruel social hierarchy and would have implications for the effects of government policy for the weakest in society over time.

***Your committee therefore recommends that this anomaly be addressed.***

#### *Excessively Rigorous Means Test*

Your committee wished to see changes to the means test used to establish eligibility for the PATH programme, as it took into account the possession of consumer durables and basic amenities such as flushable toilets, which sometimes had no bearing on one's ability to afford necessary goods and services. Moreover, the rigidity of the measure might have been a factor in the programme's having been undersubscribed in the 2008-2009 financial year.

***Your committee therefore recommends that the criteria be speedily revised so as to ensure that persons who are genuinely in need of assistance are not unjustly excluded from the programme.***

#### *Delays in the Delivery of Benefits*

Your committee was informed that there was often a lengthy delay in the delivery of PATH benefits despite the fact that persons who applied for them were usually in desperate circumstances when the application was made.

***We therefore recommend a time limit for the processing of applications, as undue delays might prove detrimental to applicants who are in dire need of the benefit.***

#### **Persons with disabilities**

Your committee was disappointed to learn that legislation to protect and assist persons with disabilities was lagging because at the time of our meeting, the ninth draft was under review. Furthermore, we were advised that it was unlikely to be the final one due to the rights-based nature of the legislation and its implications for such critical areas as health, education, employment and transportation. Notwithstanding, we were eager to see the principles of the National Policy for Persons with Disabilities embodied in legislation that would safeguard this very vulnerable segment of our population.

***Your committee therefore recommends that concern for the correctness of the provisions in the legislation be tempered with concern for the needs of the disabled community and that every effort be made to have the legislation in place as soon as possible.***



### **The Minimum Wage**

Your committee was mindful of the fact that the minimum wage was recently debated in Parliament. Nevertheless, having found that the primary consideration in proposing a figure seemed to be whether employers would be able to afford to pay it, and, by extension, how it would affect unemployment, we were convinced that the amount that was settled upon might not be sufficiently reflective of the real needs of the people and therefore a compromise between affordability and practicality must be made.

***Your committee therefore recommends that future computations of the minimum wage take greater account of international standards as regards a living wage.***

### **The Overseas Employment Programme**

#### *Fewer opportunities for Employment in the United States*

Your committee was informed that opportunities for overseas employment in Canada were expanding, with positions in areas such as auto mechanics and automotive finishing becoming available to Jamaicans. As such, the Ministry sought to prepare potential participants by providing training through the HEART Trust/NTA. They had also established a liaison office in that country. On the other hand, there were challenges for persons who wished to enter the United States, and particularly for first-time applicants, as organisations often requested workers who had proven themselves previously, as a result of which between 80 and 90 percent of participants in any given year were repeat workers. We were assured that the Ministry's representatives were making every effort to identify new openings. However, we also learnt that an arrangement whereby Jamaicans who had worked in the United States up to three years previously were exempt from the quota of 66,000 working visas that were issued annually had not been renewed in recent years.

***Your committee therefore recommends that the effort to secure opportunities for Jamaican workers in Canada be fully supported and even intensified in order to mitigate the shortfall that might result from changes to the United States regime.***

#### *Tracking System for Overseas Employment Applications*

Your committee also became aware that persons who were referred to the Overseas Employment Programme by Members of Parliament often reported that they had passed the

relevant test but had heard nothing further on the matter and parliamentarians were often unable to advise them on the status of their applications.

***We therefore recommend** the implementation of a system to keep Members of Parliament informed of the status of applications made to the Overseas Employment Programme by their constituents.*

### **Flexible Work Arrangements**

Your committee was informed that the dialogue on flexible work arrangements had reached an advanced stage, with churches having been consulted and employers and unions having expressed support for the measure. On the other hand, certain practical issues needed to be resolved at the level of the Joint Select Committee of Parliament to which the matter had been referred.

***Your committee therefore** recommends that the above committee reconvene and proceed to complete its work.*

### **ACKNOWLEDGEMENTS**

Your committee wishes to express gratitude to the representatives of the Ministry of Labour and Social Security and the Ministry of Finance and the Public Service for their contribution to our deliberations. Thanks are also extended to the Clerk to the Houses and staff for their administrative and other support.

**APPENDIX A – ATTENDANCE  
(1 meeting)**

	<b>Present</b>	<b>Absent</b>	<b>Apology</b>
Dr. Kenneth McNeill – Chairman	-	1	1
Hon. Robert Montague	-	1	-
Mr. Michael Stern	-	1	-
Mr. Ernest Smith	-	1	-
Dr. St. Aubyn Bartlett	-	1	-
Mr. Desmond Mair	-	1	-
Mr. Franklyn Witter	1	-	-
Mr. Tarn Peralto	-	1	-
Mr. Othneil Lawrence	-	1	1
Mrs. Natalie Neita-Headley	-	1	-
Mr. Phillip Paulwell	1	-	-
Dr. Morais Guy	-	1	1
Rev. Ronald Thwaites	1	-	-
Dr. Donald Duncan	1	-	-
Mr. Ian Hayles	-	1	-

**SIGNATURES**

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Dr. Kenneth McNeill

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Mr. Othneil Lawrence

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Hon. Robert Montague

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Mr. Phillip Paulwell

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Hon. Michael Stern

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Dr. Morais Guy

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Mr. Ernest Smith

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Rev. Ronald Thwaites

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Dr. St. Aubyn Bartlett

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Dr. Donald K. Duncan

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Mr. Desmond Mair

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Mr. Ian Hayles

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Mr. Franklyn Witter

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Mrs. Natalie Neita-Headley

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Mr. Tarn Peralto

**NOTICES OF MOTION GIVEN ORALLY**

Dr. Morais Guy on behalf of the Chairman of the Public Administration and Appropriations Committee gave notice that at the next meeting of the House he would move:

BE IT RESOLVED, that the Report of the Public Administration and Appropriations Committee on its deliberations on the Ministry of Labour and Social Security, which was laid on the Table of the House on the 16<sup>th</sup> day of September, 2009, be approved.

**QUESTIONS AND ANSWERS TO QUESTIONS**

Mr. Robert Pickersgill, M.P., St. Catherine, North Western asked the Minister of Finance and the Public Service the following question:

How much money has been collected from the gas tax to date ?

The Minister of Finance and the Public Service replied as follows:

**GAS TAX COLLECTIONS APRIL – AUGUST, 2009**

**SCT ON PETROLEUM PRODUCT IMPORTS**

**Customs**

Period	Litres	SCT collected at \$8.75 per litre
May 01 – May 31	16,503,255.87	144,403,488.86
June 01 – June 30	40,251,998.91	352,204,990.46
July 01 – July 31	241,796,428.24	2,115,718,747.10
Aug 01 – Aug 31	210,973,955.73	1,846,022,112.64
<b>TOTAL</b>	<b>509,525,638.75</b>	<b>4,458,349,339.06</b>

**SCT ON LOCALLY REFINED OIL IMPORTS SOLD TO TRADE**

**Internal Revenue Department**

May	Actual Payment	174,619,426
June	Actual Payment	181,550,936
<b>TOTAL</b>		<b>356,170,362</b>

**Grand Total = \$4.8 Billion**

The Reverend Ronald Thwaites gave notice that at the expiration of 21 days he would ask the Minister of Finance and the Public Service the following question:

Having regard to the great environmental hazard to the nation's environment of non-biodegradable plastic.

1. Is an Environment Levy being collected ?
2. On what items ?
3. How much has it yielded since imposition ?
4. How has it been spent ?

***(The Minister of Health and Environment, the Honourable Rudyard Spencer, entered and took his seat).***

***(Mr. Ernest Smith, M.P., St. Ann, South Western entered and took his seat).***

***(The Minister of State in the Ministry of Mining and Energy, the Honourable Laurence Broderick, entered and took his seat).***

***(The Minister of Industry, Commerce and Investment, the Honourable Karl Samuda, entered and took his seat).***

#### **PUBLIC BUSINESS**

The Minister of Finance and the Public Service, the Honourable Audley Shaw, moved the following motion:

**BE IT RESOLVED**, with reference to Ministry Paper No. 99, dated September 1, 2009, which was laid on the Table of the House of Representatives on the 15<sup>th</sup> day of September, 2009, that this Honourable House approve the granting of a Government Guarantee of a loan of approximately US\$121.65M under the provisions of the Approved Organizations and Authorities Loans (Government Guarantee) Act from HSBC Bank plc acting as Agents and supported by Eksport Kredit Fonden or EKF, the Export Credit Agency of the Danish Contractor, E Pihl & Sons who is to be contracted to undertake the construction of the Falmouth Cruise Ship Terminal on behalf of Royal Caribbean Cruise Lines (RCCL); and

**BE IT FURTHER RESOLVED** that this House approve the charge of a guarantee fee at a rate of 0.125% of the guaranteed amount in accordance with the provisions of Section 3(2) of the Approved Organizations and Authorities Loans (Government Guarantee) Act.

***(Mr. Derrick Smith, M.P., St. Andrew, North Western entered and took his seat).***

***(The Minister of Foreign Affairs and Foreign Trade, the Honourable Dr. Kenneth Baugh, entered and took his seat).***

***(Mr. Fitz Jackson, M.P., St. Catherine, Southern entered and took his seat).***

Seconded by: Mr. Tarn Peralto.  
Agreed to.

The Minister of Finance and the Public Service, the Honourable Audley Shaw, moved that a Bill entitled "AN Act to Amend the Bank of Jamaica Act, be now read a second time.

Seconded by: Mr. Desmond Mair.  
Agreed to.

The House resolved itself into a Committee of the Whole House to consider the clauses of the Bill.

Clauses 1- 2 agreed to.

Title and Enacting Clause agreed to.

The question that the Chairman do report the Bill to the House was agreed to.

The House resumed.

The Bill having been reported to the House without amendment, the Minister of Finance and the Public Service moved that the Bill be now read a third time and passed.

Seconded by: Mr. Franklyn Witter  
Agreed to.

Bill read a third time and passed.

The Minister of Finance and the Public Service, the Honourable Audley Shaw, moved that a Bill entitled "AN Act to Amend the Customs Act, be now read a second time.

Seconded by: Mr. Desmond Mair.  
Agreed to.

***(Dr. Kenneth McNeill, M.P., Westmoreland, Western entered and took his seat).***

***(The Minister of Tourism, the Honourable Edmund Bartlett, entered and took his seat).***

Further debate on the substantive motion was by leave deferred.

## **ADJOURNMENT**

At 4:04 p.m. Minister of Education and Leader of the House moved that the House do now adjourn to Tuesday, September 22, 2009 at 2:00 p.m.

Seconded by Mr. Franklyn Witter.  
Agreed to.

The House adjourned accordingly.

Delroy Chuck  
**Deputy Speaker**