



**2018/19 SESSION  
of the  
BERMUDA HOUSE OF ASSEMBLY  
OFFICIAL HANSARD REPORT**

**11 March 2019**

*Sitting number 14 of the 2018/19 Session  
(pages 929–1048)*

**Hon. Dennis P. Lister, Jr., JP, MP  
Speaker**

**Disclaimer:** The electronic version of the *Official Hansard Report* is for informational purposes only. The printed version remains the official record.

**BERMUDA HOUSE OF ASSEMBLY****OFFICIAL HANSARD REPORT****11 MARCH 2019****10:02 AM***Sitting Number 14 of the 2018/19 Session*

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

**PRAYERS**

*[Prayers read by Mrs. Shernette Wolffe, Clerk]*

**The Speaker:** Good morning, Members.

*[Gavel]*

**CONFIRMATION OF MINUTES**

*[Deferred]*

**The Speaker:** Members, the Minutes from the 8<sup>th</sup> of March have been deferred.

**ANNOUNCEMENTS BY THE SPEAKER  
OR MEMBER PRESIDING****COMMONWEALTH DAY MESSAGE  
“THE CONNECTED COMMONWEALTH”**

**The Speaker:** Members, today is Commonwealth Day. And the traditional Commonwealth Day message will be circulated to you. The topic for this year is *The Connected Commonwealth*. But you will receive your message via circulation of other communications.

**PAPERS AND OTHER  
COMMUNICATIONS TO THE HOUSE**

**The Speaker:** Minister of Finance, do you want to present your paper now?

**Hon. Curtis L. Dickinson:** Good morning, Mr. Speaker.

**The Speaker:** Good morning.

**GOVERNMENT FEES  
AMENDMENT REGULATIONS 2019**

**Hon. Curtis L. Dickinson:** Mr. Speaker, with the Governor's recommendation and in accordance with section 36(3) of the Bermuda Constitution, I have the honour to attach and submit for the consideration of the Honourable House of Assembly the following: Government Fees Amendment Regulations 2019,

made by the Minister responsible for Finance under section 2 of the Government Fees Act 1965.

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

**PETITIONS**

**The Speaker:** There are none.

**STATEMENTS BY MINISTERS  
AND JUNIOR MINISTERS**

**The Speaker:** Yes.

Members, although the Order Paper does not indicate it, and we have these quick turnovers with [our] sitting every other day for Budget [Debate], the Premier does have a Statement that he would like to give this morning, and it is being circulated to you at this moment.

Premier.

**Hon. E. David Burt:** Good morning, Mr. Speaker.

**The Speaker:** Good morning.

**PROFESSIONAL SERVICES/CONSULTANTS  
AND ADVISORS—A REVISED CONSTRUCT**

**Hon. E. David Burt:** Mr. Speaker, the use of subject matter experts, or political advisers, in support of a government's policy aims and objectives is an established and accepted use of [professional services](#) in Bermuda and elsewhere. From the days of Raj Nadarajah, some consultants have attracted controversy while others have hardly been known, although their contribution to the development of Bermuda can be seen in many facets of our everyday lives.

Mr. Speaker, the increasing demands of modern governance and public administration have taxed the traditional ministry headquarters within Bermuda's public service. In Bermuda, permanent secretaries combine their principal role of lead policy advisor to ministers with office management, accounting and budgetary responsibility, speechwriting, the drafting of Cabinet memoranda and briefs, managing union relationships, PATI oversight, and many day-to-day tasks associated with ministers' needs.

Mr. Speaker, the SAGE Commission examined the operations of ministry headquarters and the

role of permanent secretaries. In their 2013 report, they recommended, citing the 2011 Civil Service Review, the creation of a ministerial private office. To quote from the SAGE report, Mr. Speaker, “A Ministerial Private Office should be created to relieve Permanent Secretaries of the day-to-day tasks associated with Ministers’ needs.”

To again quote the 2011 Civil Service Review, “We believe that a Private Office would relieve the Permanent Secretary of the day-to-day managing of Ministers (tasks such as detailed briefing, speech writing, intelligent prioritization of the Minister’s diary, ‘gate-keeping’, managing the Minister’s relationship with the Legislature, progress-chasing of submissions from within the Ministry, etc.)”

Mr. Speaker, the 2011 review said, “We believe that . . . such a role close to a Minister would be a good one for young Civil Servants who are judged to have the potential for rapid advancement.”

Mr. Speaker, let me pause on that point to remind Honourable Members of the recent announcement I made on the Cabinet Office internship programmes set to be run during this summer. From the young people we will attract for this period, I expect that we will identify such high-fliers who will continue to add to the capacity of the public service.

Mr. Speaker, the review continues, “We believe that such a system would free the Permanent Secretary to develop a closer ‘grip’ on improving the performance of the Ministry and its constituent Departments; the development of policy options . . . and driving better delivery and accountability through the system.”

Mr. Speaker, after almost two years in government, I think I can speak for all Ministers in saying that permanent secretaries are increasingly busy and challenged to meet the demands of the post without the support required. Therefore, I have indicated my full support for the SAGE Commission’s recommendation on private ministerial offices and have encouraged Ministers, who field a significant number of requests from the public, to start the process of building this capacity within ministries by hiring an advisor, as permitted by the Ministerial Code of Conduct.

Honourable Members should note that section 9.1 of the Code dictates that such engagements are subject to budgetary approval and the prior written approval of the Premier. Further, Mr. Speaker, I can advise this Honourable House that, terms similar to the [Premier and Opposition Leader Personal Staffs Act 1983](#), I shall shortly invite the Cabinet to approve amendments to relevant legislation to formalise ministerial private offices.

Mr. Speaker, Honourable Members will note that the Ministerial Code of Conduct also contemplates the engagement of expert consultants, who through their professional expertise can be taken on in support of the policy remit of a Minister. It is not a poor reflection on the public service that successive gov-

ernments have required professional services to advance their programmes. Highly technical areas, the use of cutting-edge technology, and the provision of expert advice all demand special skill and expertise.

I wish to further advise Honourable Members that I have invited the Policy and Strategy Section within the Cabinet Office to conduct a jurisdictional review and to advise on a means by which to grade consultant engagements in order to ensure pay equity and a compensation package that is more standardised and in keeping with the level of expertise for which the particular consultant has been engaged. This will set a standardised scale for compensation of which all parties will be aware and to which they subscribe when working in support of the Government of Bermuda.

Mr. Speaker, the pursuit of political goals has made the term “consultant” a bad word in many cases. Providing a legislative underpinning and a more transparent system of grading and compensation for consultant work, both political and expert, will go a long way towards changing that perception and, most importantly, promoting greater efficiency in the delivery of services and the implementation of policy on behalf of the people of Bermuda.

Thank you, Mr. Speaker.

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

## REPORTS OF COMMITTEES

**The Speaker:** There are none.

**The Clerk:** I will take Premier’s Questions off of the Order Paper.

**The Speaker:** Yes, normal questions.

## QUESTION PERIOD

**The Speaker:** Question Period. The first is the written [answer] which was deferred from last week. Premier.

**Hon. E. David Burt:** The Sergeant-at-Arms has the answer.

**The Speaker:** The Sergeant-at-Arms has the [answer](#) distributed to the Member. Okay.

## QUESTION: CONSULTANTS/ADVISORS PAID FOR BY GOVERNMENT

**Hon. Michael H. Dunkley:** Will the Honourable Premier please inform this Honourable House which Government Ministers have had advisers since 18<sup>th</sup> July 2017 as per section 9.1 of the 2015 Ministerial Code of Conduct

*and accordingly, name the advisors paid for by the government?*

**Hon. Michael H. Dunkley:** *Will the Honourable Premier please inform this Honourable House which Government Ministers have had consultants since 18<sup>th</sup> July 2017 as per section 9.1 of the 2015 Ministerial Code of Conduct and accordingly, name the consultants paid for by the government?*

**The Speaker:** And the Opposition Leader has indicated that he would like to put a question to you in reference to your Statement this morning.  
Sir.

**Hon. L. Craig Cannonier:** Good morning, Mr. Speaker.

**The Speaker:** Good morning.

#### QUESTION 1: CONSULTANTS/ADVISORS PAID FOR BY GOVERNMENT

**Hon. L. Craig Cannonier:** Good morning, colleagues.  
Yes, I am just curious. The Premier says that he is looking to start the process of building this capacity within ministries by hiring advisors as permitted by the Ministerial Code.

I was just curious as to an idea. Does he have an idea of the numbers of Ministers who are seeking this assistance? Also, how many Ministers already have started the process and have assistants in place?

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

**Hon. E. David Burt:** Mr. Speaker, I do believe that the written question may provide the answer to that. I believe that there are four Ministers who have that in place, the Ministry of Education—

**Hon. L. Craig Cannonier:** Is it part of the written answer?

**Hon. E. David Burt:** I think so, yes.  
[They are] the Minister of Education, the Deputy Premier, the Minister of Public Works, as well as myself.

**The Speaker:** Supplementary or new question?

**Hon. L. Craig Cannonier:** Supplementary.

**The Speaker:** Continue.  
Honourable Member,

#### SUPPLEMENTARY

**Hon. L. Craig Cannonier:** Yes. In relation to that, then, I am just seeing now some of the answers, just getting them. My apologies. I did not have it in front of me.

But do we have an idea then, based on these answers as well, what we are anticipating that these salaries might be for the consultants? If we are going to do it across the board, have we decided that it is going to be within a range, per se?

**Hon. E. David Burt:** Thank you very much, Mr. Speaker.

Mr. Speaker, these items are due to specific approval of myself for all ministerial consultants. I have graded them at PS36, and there is no one higher than PS36 for ministerial consultants who are advising ministers in a personal capacity. For others who are in the provision of specific expert advice, those ones are rated differently. However, for personal staff, they are graded at PS36.

**The Speaker:** Thank you.  
Supplementary or a new question?

**Hon. L. Craig Cannonier:** I am good. Thank you.

**The Speaker:** Would anyone else want to ask a supplementary?  
No supplementary?  
Okay. That brings us to a close of questions.

#### CONGRATULATORY AND/OR OBITUARY SPEECHES

**The Speaker:** Does any Member wish to speak to that?  
We recognise the Premier.

**Hon. E. David Burt:** Mr. Speaker, thank you very much.

Mr. Speaker, I rise this morning on a very sad note. And I would ask that this Honourable House send a letter of condolences to a Bermuda resident by the name of Mr. Paul Njoroge, Mr. Speaker, Mr. Njoroge on the tragic loss of his wife, his mother-in-law, and three children who were aboard the Ethiopian Airlines flight ET 302, which crashed just shortly after take-off from the Ethiopian capital of Addis Ababa to Nairobi in Kenya.

Last evening, on behalf of the Government, the Minister of Finance and the Minister of National Security visited the home of Mr. Njoroge and offered condolences. As a father and a husband, I cannot imagine how he must feel during this time. In times of tragedy, we want the expatriate community to know that we support them. Specifically, to the African Diaspora, thank you for cloaking this family with support.

He is in our thoughts as he travels back home to Kenya. And we will continue to support him upon his return. And I would assume, Mr. Speaker, that all Honourable Members would wish to be associated with those remarks.

**The Speaker:** Yes.

**Hon. E. David Burt:** Thank you.

**The Speaker:** Would any further Member wish to speak?

We recognise the Honourable Member from constituency 10.

Honourable Member, you have the floor.

**Hon. Michael H. Dunkley:** Thank you, Mr. Speaker.

Mr. Speaker, yes, I am sure all Members want to be associated. And I would like to turn, Mr. Speaker, just to a brighter note, because it is important that we recognise Bermudians when they strive and do well. I would like to congratulate Camiko Smith and Daniel Augustus for their great showing in the Grey Goose World Par 3 Championship that was held over the weekend. Camiko came in third, Mr. Speaker. I understand that he was duelling down to the wire at the last with some professional golfers who have played on the world stage for many years. The tournament was won by Barry Lane. But Camiko is a young Bermudian, and I think we are all aware of his endeavour to become a professional golfer on the PGA tour. He has certainly made some great strides. And I would like to send congratulations to Camiko.

And also, to Daniel Augustus, who came in fifth at one over par. Most will know that Daniel has been playing on some tour events, some satellite tour events in the US for many years and showing great progress. I highlight that to not only recognise the great work that young professional golfers are doing, but just to show how tough it is to make the headway. And we do have a lot of talent in this Island.

We need to recognise people. We need to support them where we can in a very competitive field because we tend to accept that in any sport Bermudians can rise to the top. But it takes effort, it takes commitment, it takes cash to make it happen. And it takes the support of community, friends, and family and the sacrifice to make it happen.

So, we recognise them and congratulate them. But let us continue to rally with them so we can have more Bermudians flying the flag on the world stage.

Thank you, Mr. Speaker.

**The Speaker:** Thank you.

Does any other Member wish to speak?

We recognise the Honourable Member from St. George's. Honourable Member.

**Mrs. Renee Ming:** Good morning, Mr. Speaker.

**The Speaker:** Good morning.

**Mrs. Renee Ming:** I would like to take this moment to congratulate the Bermuda Industrial Union. They held their annual International Women's Day Tea on Saturday. And the theme for this year, I think you heard me say it already, was [#balanceforbetter](#). And I just want to commend them for the fact that they have been doing this now for nine years, each year on the Saturday preceding the date of the International Women's Day. And we highlight the challenges that we as women face. And in this instance, the guest speaker was none other than the Premier's wife, Kristin Burt. She highlighted the challenges that she has as a mother, as she had her assistant, her young daughter there, who was able to help her deliver her speech on Saturday.

Also, I would like to give thanks to Sister LaVerne Furbert, because she tirelessly organises this event year after year. And also, to young Dakota Tucker, who sang two beautiful songs at the tea. So, as we as women continue to strive for our equality and our gender parity, there are events like these that help to highlight that we still have a long way to go.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to speak?

We recognise the Honourable Member Tyrrell. Honourable Member, you have the floor.

**Mr. Neville S. Tyrrell:** Thank you, Mr. Speaker, and good morning, all.

Mr. Speaker, in line with the Honourable Member, from constituency 10 I think it is, who congratulated Bermudian athletes, I would like to have congratulations sent to the Bermuda Rugby Team, who just recently participated in the Rugby America's North area championships, by thumping, if I could use that word, the Jamaican team that came here. I think it was something like 43 to 12, 13, something like that. So, it shows that we do have some talent spread around the Island, Mr. Speaker, and I would like congratulations to be sent.

On a sadder note, Mr. Speaker, I would ask if a letter of condolences could be sent to the family of the late Earlston Winfield Bascome. Mr. Bascome was an old friend of mine. We supported the Young Men's Social Club, Bluebirds, together on our days out. He will be missed. He was a character around the Back o' Town area. But at the same time, I am sure he will be missed by his family.

Thank you, Mr. Speaker.

**The Speaker:** Thank you.

Does any other Member wish to speak?

We recognise the Honourable Member Furbert, from constituency 4. Honourable Member.

**Mrs. Tinee Furbert:** Yes. Good morning, Mr. Speaker.

**The Speaker:** Good morning.

**Mrs. Tinee Furbert:** I also would like to recognise the BPSU [Bermuda Public Services Union], who also celebrated International Women's Day on Friday. They had a breakfast in the morning, as well as a talk show, the Tea Talk Show, where they highlighted many great women in our community, including Ms. Tina Evans, the daughter of the late Dame Lois Browne-Evans. And also, Superintendent Na'imah Astwood gave some very valuable insight into what it meant being a woman in our police force. So, they all shared very valid information, essential information to our community, and our network of women in our community, as well as information for the progression of women and advancement of women in our community.

So, I would just like to also congratulate the BPSU for the brilliant activities that they set out for the day. I would like to associate MP Renee Ming, as well as many of the other women MPs in the House.

Thank you.

**The Speaker:** Thank you.

Does any other Member wish to speak?

We recognise the Honourable Member Swan from St. George's.

Honourable Member.

**Hon. Hubert (Kim) E. Swan:** Good morning, Mr. Speaker.

**The Speaker:** Good morning.

**Hon. Hubert (Kim) E. Swan:** Mr. Speaker, I would like a suitable acknowledgement and letter sent to two ladies who have made Bermuda part of their home annually. Their names are Joy Bonhurst, a golf professional from Maryland; and Baily [Johnson] Scheurer, a business executive from the Washington, DC, area.

These ladies, staying at Pompano Beach now for 22 years, have staged a Ladies Pro-Am [Golf Classic] event successfully. And yesterday, they had one of the rounds at Port Royal with over 70 ladies participating.

I am proud to say, Mr. Speaker, that this tournament is a follow-on of the event that I staged for over 10 years. And these ladies first came to Bermuda—well, Joy Bonhurst certainly did—[for] the former Bermuda Easter Lily Pro-Am for Ladies that I founded way back in the mid-1980s. But they have stuck to it. And with the support of Pompano and Goslings, they

continue to host this event. And I am hoping to get, particularly, the Minister of Sport, who is a lady, to meet them because I think there will be some natural synergies that will be at play in that regard, especially during this time of celebration of the contributions of women globally.

And I associate the Chairman of the Port Royal Golf Course with that. And I would like to be associated with the congratulations made to my fellow golf professionals, one of whom has already won the tournament that they were congratulated on earlier today, previously.

**The Speaker:** Thank you.

Does any other Member wish to speak?

No other Member?

## ANNOUNCEMENT BY THE SPEAKER

### HOUSE VISITORS

**The Speaker:** Before we move off of condolences and congratulations, let me just take this moment to recognise the young students who are in the Gallery this morning.

We have the students of P4 class from Northlands, under the guidance of their teachers, Ms. Hill, Ms. Matthew, and Ms. Hollis there. It is good to have you here this morning, visiting with us.

And I hope that you will find this a learning exercise, young people, in how government operates here in trying to act in the best interests of all of our citizens.

So, welcome to Parliament.

*[Desk thumping]*

## MATTERS OF PRIVILEGE

**The Speaker:** There are none.

## PERSONAL EXPLANATIONS

**The Speaker:** There are none.

## NOTICE OF MOTIONS FOR THE ADJOURNMENT OF THE HOUSE ON MATTERS OF URGENT PUBLIC IMPORTANCE

**The Speaker:** There are none.

## INTRODUCTION OF BILLS

### GOVERNMENT BILLS

**The Speaker:** There are two Government Bills that are being introduced this morning. The Junior Minister of Finance, are you going to do them on behalf of the Minister?

## FIRST READINGS

### EXEMPTED PARTNERSHIPS AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** Thank you, Mr. Speaker.

On behalf of the Minister of Finance, the Honourable Curtis Dickinson, I am introducing the following Bill, which, according to section 36(3) of the Bermuda Constitution, requires the Governor's recommendation, so that it may be placed on the Order Paper for the next day of meeting: the Exempted Partnerships Amendment Act 2019.

**The Speaker:** Continue.

### CUSTOMS TARIFF AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** Mr. Speaker, I am introducing the following Bill, which, according to section 36(3) of the Bermuda Constitution, requires the Governor's recommendation, so that it may be placed on the Order Paper for the next day of meeting: the Customs Tariff Amendment Act 2019.

**The Speaker:** Thank you.

## ORDERS OF THE DAY

**The Speaker:** Again, for our listening public, we are here to continue the Budget Debate on the Estimates of Revenue and Expenditure for the year 2019/20. Today, the Ministry that is being debated is the Ministry of Health.

And, in fact, they have the entire day. So, the whole eight hours today is for the Ministry of Health.

I call on the Junior Minister of Finance to move us.

**Hon. Wayne L. Furbert:** Thank you, Mr. Speaker.

I move that the House do now resume in Committee of Supply to consider the Estimates of Revenue and Expenditure for 2019/20.

**The Speaker:** Any objections to that?

No objections. We will now move into Committee. And we will have the respective chairman come and take their position at this point.

Honourable Member Ming, good morning.

**House in Committee at 10:26 am**

[Mrs. Renee Ming, Chairman]

## COMMITTEE OF SUPPLY

### ESTIMATES OF REVENUE AND EXPENDITURE FOR THE YEAR 2019/20

[Continuation thereof]

**The Chairman:** Good morning, Honourable Members. We are now in Committee of Supply for further consideration of the Estimates of Revenue and Expenditure for the year [2019/20].

The following heads will be debated: Heads 21, 22, 24, 55 and 91.

I call on the Minister in charge to proceed.

Minister, you have the floor.

## MINISTRY OF HEALTH

**Hon. Kim N. Wilson:** Thank you, Madam Chairman.

I move the following heads: Head 21, Ministry of Health Headquarters; Head 22, Department of Health; Head 24, Hospitals; Head 55, Financial Assistance; and Head 91, Health Insurance, be now taken under consideration.

### HEAD 21—MINISTRY OF HEALTH HEADQUARTERS

**Hon. Kim N. Wilson:** Madam Chairman, it gives me great pleasure to present the budget for the Ministry of Health overall, which includes Head 21, the Ministry of Health Headquarters, found at pages B-167 through B-172 of the Budget Book.

Madam Chairman, the mandate of the Ministry Headquarters is *to serve as the policy directorate for Bermuda's health system*.

Madam Chairman, with respect to the expenditure overview, the headquarters allocation constitutes under 5 per cent of the budget allocation for the Ministry as a whole. A total of \$11,649,000 has been allocated for this head for the 2019/20, which represents an increase of \$161,000, or 1 per cent, over the original budget of 2018/19. Madam Chairman, this change is due to increases in salaries due to the transfer of posts from the Department of Health and the Health Insurance Department to the Office of the Chief Medical Officer, to support health care regulation, epidemiology, surveillance and disease outbreaks. The change will be reflected in the corresponding reductions in Heads 22 and 91.

### Manpower

**Hon. Kim N. Wilson:** Madam Chairman, the change in manpower for this head is detailed in the Budget Book at [page] B-169, increasing the employee numbers for the Ministry Headquarters from 45 to 47 established posts, representing three sections.

However, I have to pause here briefly, Madam Chairman, to remind us all that across the Ministry of Health, we continue to have a total of 89 vacant positions out of 398 established posts. This is 22 per cent of the Ministry's total workforce, and it has a severe impact on our ability to deliver services and protect the public.

Madam Chairman, I have to stress that this situation was inherited from the previous Government, whose hiring freezes and early retirement incentives crippled many parts of public health provision. From closing dental clinics to 10 bed closures at a rest home facility, hiring freezes on health care systems and services cause harm to real people in the short term and damage the community in the long term.

While we have been working diligently to remedy these deficits and hire the nurses, social workers, dentists, dental hygienists, paraprofessionals and so on, who are desperately needed to provide front-line services for vulnerable and dependent persons in our community (who are [mostly] seniors and persons with disabilities), it is impossible to reverse 89 vacancies fast enough. The staff shortages left existing teams over-stretched to cover as much as they could and, subsequently, were burnt out.

It is a travesty, Madam Chairman, to see health care professionals—amongst the most noble of professions—treated in this way. Recruitment cannot catch up fast enough to outpace resignations and early retirements due to burnout. But we continue to make strides, Madam Chairman, and have put measures in place to restore morale across the Ministry. In particular, we have signed up for Investors in People certification, and we are actively working to ensure that this international accreditation is obtained by 2021.

I will now speak on each of the sections and business units under this head, Madam Chairman.

The business unit 2101, General, comprises a small team of 11 persons and a budget largely dedicated to grants for the community. In total, Madam Chairman, over \$5 million of the unit's total budget of \$7.7 million dollars is for grants. The balance serves to run the operational and strategic engines of the Ministry through the Accounts Section and our corporate services policy directorate.

### Output Measures

**Hon. Kim N. Wilson:** The output measures, Madam Chairman, for the business units are listed at page B-170. Some highlights of the Ministry's performance measures are better demonstrated in the Ministry of Health Roadmap 2019, which serves as the Ministry's annual corporate plan and provides a helpful overview of the Ministry as a whole. The Roadmap 2019 has been published on our website at [www.gov.bm](http://www.gov.bm) under the Health Library.

Specific measures I want to highlight are as follows: Under 31000, General Administration, health insurance rates will be tabled during this session, but with a proposed effective date later than the 1<sup>st</sup> of April 2019, thus missing the target date. This is due to the decision to leverage hospital funding in order to put the health system on a more sustainable path.

Honourable Members will be aware that the Ministry has worked with the Bermuda Hospitals Board [BHB] and the Bermuda Health Council on a transformative innovation that will transition the hospitals to a streamlined payment mechanism. This will create dramatic efficiencies, incentivise a focus on appropriate care and efficient use of resources, and prevent a forecasted \$20 million in additional health care costs. The savings are being used to minimise standard premium rate increases, as well as to invest in evidence-based programmes for more prevention and primary care.

Currently, the Bermuda Hospitals Board covers its annual cost through four main funding sources: (1) fees charged to the Island's public and private insurers for health services rendered (this is claims against the Standard Health Premium); (2) a government subsidy grant towards the cost of caring for children, seniors, and the indigent; (3) a government grant for the Mid-Atlantic Wellness Institute [MWI]; and (4) a transfer from the Mutual Reinsurance Fund [MRF]. The hospital is also able to bill non-residents for any health care delivered and can bill residents for select services that are not standard health benefits.

The objective of these various revenue sources is to ensure that BHB has enough funding to operate the hospital and MWI, and to be able to generate sufficient surplus to re-invest in necessary building maintenance and infrastructure, such as technology upgrades.

However, fragmented approaches like these are increasingly viewed by health and finance experts as expensive, outdated and, in the long run, unsustainable in the face of an ageing population and growing health care needs. International evidence has clearly shown that these types of volume-based fee-for-service payment models result in higher spending. Alternative payment models, such as capitated payments, bundled payments, and value-based grants, have been proven to be more cost-effective and to result in better health outcomes.

Madam Chairman, the 2018 transition of BHB's fees to a rational methodology, using an internationally accepted standard based on the relative value of procedures, has been extremely valuable to properly assess the volume and complexity of care delivered by our hospitals. This makes it possible to properly budget, based on actual cost of services rather than by using the antiquated process of rubber-stamping arbitrarily derived fees. It has also placed us in a better position to transition Bermuda's health sys-

tem away from the antiquated coding framework that the rest of the world has abandoned, and adopt ICD-10, at long last. In short, the planned transformation of hospital funding is aligned with the conversion of fees to relative values.

Madam Chairman, regarding business unit 31015, Grants Administration, that can be found at page C-17, which lists the Health Ministry's grants to a number of agencies providing essential front-line services to aid public health and social assistance. These are as follows:

- \$2,862,000 for the LCCA to cover overseas medical care for uninsured and underinsured persons;
- \$125,000 for the Bermuda Nursing Council to support the regulation of nurses;
- \$800,000 for the Bermuda Health Council, which I will speak about momentarily;
- \$38,000 for Age Concern;
- \$753,000 for the following rest homes: Lorraine Rest Home (\$502,000), and Matilda Smith Rest Home (\$250,000); and in addition
- \$300,000 for Summerhaven;
- \$300,000 for Packwood Rest Home; and
- \$42,000 for Admiralty House;
- \$10,000 for SART (Sexual Assault Resource Team);
- \$13,000 for Tomorrow's Voices; and
- \$100,000 for public health scholarships.

Madam Chairman, our commitment to the Dr. Barbara Ball Public Health Scholarship is unwavering. We are currently accepting applications for the 2019/20 academic year and anticipate awarding \$100,000 in scholarships once again to deserving students in key public health areas. We continue to prioritise areas in which we are aware of manpower deficits in public health, such as nursing, social work, allied health professions, and environmental health.

Since 2015, the Ministry of Health has supported nearly 30 students in the areas of medicine, nursing, social work, physiotherapy, pharmacy, counselling, dentistry, and occupational therapy. This is a worthy investment in Bermuda's health workforce.

Madam Chairman, business unit 31020, Corporate Services, serves to support my office and leads major policy initiatives and PATI implementation.

Significant policy and legislative changes achieved in the last year include amendments to upgrade the Psychological Practitioners Act, the Allied Health Professions Act, and now the Midwifery and Nursing Act, the Day Care Regulations, legislation impacting operations of the Chief Medical Officer, and the Mental Health Act. In addition, we have developed and implemented the Care Homes Code of Practice, which is raising standards across the Island's rest homes; and we overhauled the child day care regulatory regime to protect the well-being and safety of our children.

Madam Chairman, these are excellent achievements that Honourable Members in this House supported unanimously and helped move Bermuda forward in protecting the public.

With respect to the Public Access to Information (PATI) Act responsibilities, the Ministry of Health continues to be disproportionately burdened. Again, while we fully support the spirit and intent of PATI and go to more lengths than most to provide accountability and transparency to the public through our website, *Health eBites*, *Issue Briefs*, as well as *Vital Signs* newsletters, PATI implementation is costly and draws resources away from material public health needs.

This year, my Ministry has handled 17 PATI requests to date, including seven internal and seven ICO reviews, some of which have been open for over a year. These absorb a tremendous amount of staff time and resource that is out of proportion to any possible benefit to the public. By way of an example, Madam Chairman, just one PATI request that was studied to assess its impact required an excess of 337 man-hours and cost the government well over \$20,000. Madam Chairman, this cannot possibly have been the intent of PATI. I would have much preferred to have given that \$20,000 to a rest home or to a homeless programme. But instead, this public money was spent on satisfying the curiosity of one requester. And it is a regrettable usage of the public's money.

### Major Policy Changes

**Hon. Kim N. Wilson:** Madam Chairman, amongst the most significant policy changes in the current year has been the introduction of the sugar tax, jointly with the Ministry of Finance. This initiative was in our platform and the 2017 Throne Speech, and was developed quickly to send the strongest message to the community that Government is serious about tackling obesity and chronic diseases.

The sugar tax was introduced with the intent of shifting public choices towards healthier behaviours. Lowering our sugar consumption is necessary to combat our obesity, diabetes, and kidney-related disease rates, which are driving up health care costs untenably. Under the new tax, both consumers and businesses benefit from avoiding sugar-based products. We welcome and encourage entrepreneurship in tapping into the public's increasing demand for healthier alternatives with reduced or no sugar. A market exists for this, and more and more products can be seen on many retailers' shelves, reflecting the changing mood and tastes of the population.

As of the 1<sup>st</sup> of April this year, the rate goes up to 75 per cent, and it will also be applied to chocolate and cocoa preparations containing added sugar and to sugary breakfast cereals. This is in alignment with the original consultation feedback, which called for application to a wider set of items. In addition, Madam

Chairman, changes to the tariff code will be made to ensure drinks that do not contain sugar are not subject to tax.

In addition, Madam Chairman, the Ministry advanced its 2018 Throne Speech initiative on health financing reform. Consultation was conducted with an [appointed] Stakeholder Consultation Group, including insurers, health professionals, charities and patient representatives. Excellent feedback was gathered, which is being considered to enable a final determination on a way forward. I expect that we will be able to advance this further before the summer. Updates are provided regularly through our newsletters and on our website.

### Plans for the Upcoming Year

**Hon. Kim N. Wilson:** Madam Chairman, under this business unit, we will be bringing some legislation changes in the upcoming year, including updates to health professional statutes to upgrade and standardise all health professionals' regulation, modernise the Medical Practitioners Act, and upgrade the Dental Practitioners Act. We are also preparing consultation to reform the handling of health professional complaints to develop a more effective, streamlined tribunal structure that will ensure that complaints against health professionals are handled faster and more consistently.

In addition, Madam Chairman, as I indicated previously, a lot of movement has been taking place under the auspices of the Bermuda Health Strategy to put our health care system on a sustainable path forward. We have an ambitious agenda and are relentlessly focused on improving access for all, increasing affordability and better patient outcomes. These are the priorities for our health system and require us to have the courage for transformational reform. We need to do things very differently if we want to get different results. The time for change, Madam Chairman, is now.

### Office of the Chief Medical Officer

**Hon. Kim N. Wilson:** The Office of the Chief Medical Officer can be found, Madam Chairman, at pages B-167 to 172 of the Estimates of Revenue and Expenditures. Moving now to business unit 2102 (under Head 21), which pertains to the Office of the Chief Medical Officer [CMO], its total budget for fiscal year 2019/20 is \$1,074,000, which funds two cost centres, namely, 31030, the Healthcare Registration and Regulation; and 31040, Epidemiology and Surveillance Unit. The office consists of eight full-time employees and a consultant pharmacy inspector providing service equivalent to 0.25 of a full-time employee.

The responsibilities of the Office of the CMO fall under four broad categories. First, the office registers health care professionals and health care facili-

ties, such as pharmacies, clinical laboratories, and diagnostic imaging facilities. It monitors credentials, qualifications and standards of practice, and receives and addresses complaints against health care professionals.

Second, the office's pharmaceutical drugs control responsibilities include monitoring the importation and export of controlled (banned) drugs and related products to ensure that these items are safe and are delivered to the appropriate persons. The office issues personal and commercial importation licences for controlled drugs and ensures that the Island is upholding the controlled drug quotas agreed by the International Narcotics Control Board [INCB] in Vienna, Austria. The INCB monitors the implementation of the United Nation's international drug control conventions.

Third, the Office of the CMO provides health protection and community health assessment functions through the work of the Epidemiology and Surveillance Unit [ESU]. The Epidemiology and Surveillance Unit monitors the occurrence of diseases on the Island, both infectious disease (communicable diseases) and some chronic non-communicable diseases, to help prevent and control these diseases. The unit receives reports from health care providers and facilities, and investigates possible outbreaks. Its staff advises health care professionals and the public on managing infectious diseases which have the potential to spread throughout the community.

The ESU also conducts intermittent community health surveys to monitor and document the health of the population, and it shares assessment information with the public, with government departments, and with collaborating institutions in order that appropriate public health actions can be taken to prevent and control diseases.

Finally, the Office of the CMO performs various statutory functions and services required by Bermuda law, such as granting permission for burials, relief of customs duty, advising government on health matters, and serving on and supporting the work of statutory boards and councils. The office serves as the national public health focal point for communications coming from and going to international agencies such as the World Health Organization and the INCB. Many of these communications relate to funded training opportunities for health sector workers.

Madam Chairman, of the Office of CMO total budget, \$630,000 is allocated to Healthcare Registration and Regulation. This year, the section registered 870 health care professionals and processed 248 statutory requests from the public. Of these, 129 were commercial drug requests.

Also in this fiscal year, the office launched the inaugural online reregistration of medical practitioners, allied health professionals and pharmacists. The need for automation of these processes was long-awaited and not without challenges. We are satisfied that the tedious manual procedures are being replaced by

more efficient and thorough electronic procedures. An online process for initial registration of all health professionals will be implemented in the coming year.

The Registrations Section continued to meet its performance targets by publishing accurate health care professional registers and supporting the professional statutory boards in their registration and complaints-handling responsibilities. For the coming year, the office expects to complete the policy development required to update the Medical Practitioners Act 1950, and to update the Standards of Practice for Medical Practitioners.

Regulatory responsibilities were weighty in the past year due to the steady flow of complaints which were handled within the Professional Conduct Committees. These procedures require costly legal support. As a result, legislative reform efforts continue to be a priority, with the hope of developing complaints-handling procedures that are better suited to the resources available.

Legislative reforms in 2018 transferred some of the regulatory functions from the Office of the CMO to the Bermuda Health Council. Specifically, the registration of health care facilities is an initial step. Regulatory support for professional boards will also be transferred to the Health Council over the coming fiscal year, starting with allied health, dental professionals, and optometrists and opticians. This will allow greater focus of resources on the regulation of medical practitioners and on essential health protection and community assessment functions within the Office of the CMO.

A sum of \$444,000, Madam Chairman, has been budgeted for the work of the Epidemiology and Surveillance Unit for the year 2019/20. In 2018, the ESU managed over 600 reports of communicable diseases, investigated 156 individual case reports, and addressed eight major disease outbreaks. I have to stress, Madam Chairman, that this is a mammoth task that was undertaken by three staff members. I cannot underestimate the difference that three people make in keeping Bermuda safe from communicable diseases and their outbreaks.

In addition, the ESU focused on improving the capacity of staff in the office and in the Department of Health to respond rapidly and effectively to public health emergencies such as disease outbreaks. The ESU successfully implemented the Caribbean Field Epidemiology and Laboratory Training Programme, an intensive practical epidemiology training from Caribbean Public Health Agency. We are delighted to confirm that five Ministry of Health employees are expected to graduate successfully from the programme in the coming two weeks.

Work continued in 2018 on the development of the chronic disease register and on the multi-sectorial collaborations to address the threat of antimicrobial resistance [AMR]. Both endeavours are

considered critical public health work and will continue indefinitely, by necessity.

Also, in 2019, Bermuda's second community-wide chronic disease risk factor survey, STEPS 2019, will be implemented. Data from the first STEPS [to a Well Bermuda] survey of 2014 informed policy development and planning. It will indicate progress, or lack thereof, made in addressing chronic disease risk factors such as obesity, sedentary lifestyle, tobacco and alcohol use, and poor diet. As always, the purpose of obtaining such public health information is so that effective strategies and actions involving the whole of society can occur to protect and promote the population's health.

Madam Chairman, this ends my presentation for business unit 2102, the Office of the Chief Medical Officer.

### Ageing and Disability Services

**Hon. Kim N. Wilson:** Ageing and Disability Services, Madam Chairman, can be found at pages B-167 to B-172 of the Budget Book. Line item 2103, Ageing and Disability Services [ADS], can be found listed as the National Office for Seniors and the Physically Challenged.

Madam Chairman, ADS's mission is *to improve the quality of life for seniors and persons with physical and intellectual disabilities*. This is achieved by regulating care homes, coordinating and ensuring the delivery of programmes, and by collaborating with a network of stakeholders.

Madam Chairman, Ageing and Disability Services has a budget of \$2,883,000, which is the same as the previous year's budget, though \$788,000 higher than the revised estimate.

ADS operates two programmes, Madam Chairman. One is the Ageing and Disability Services, which is cost centre 31135, and the second is the K. Margaret Carter Centre, which is cost centre 31160.

Madam Chairman, the K. Margaret Carter Centre (or KMCC) provides direct support for persons with intellectual disabilities in the community through day programme services. KMCC has a budget of [\$1.86] million to fund 19 staff delivering direct client services to 51 service users participating in six different programmes. In 2018, all vacant posts, with the exception of one, were filled at KMCC, making it a total of 18 permanent staff. However, the staff-to-client ratio remains too high, causing untenable shortages when permanent staff is out sick or on leave. Accordingly, the Management Consulting Services [MCS] has begun an operational and staffing review to improve the efficiency and service quality of KMCC.

A key KMCC programme to highlight is the community-based employment programme. The Training and Employment Division engages clients in meaningful work, based on their skill level and their area of interest. At present, Madam Chairman,

[92] per cent of a select group of clients work in various businesses across the Island, while 93 per cent participate in in-house contract work and receive stipends from local businesses for the completion of short-term projects.

In addition, over the last year, KMCC has partnered with MWI's programme for persons with intellectual disabilities to increase opportunities to clients and their families for enhanced client development. Part of this collaboration is the use of client-centred passports geared to the client's personal care and enhanced development needs.

Madam Chairman, outside of KMCC, the Office of Ageing and Disability Services focuses on public education and awareness, accessibility, compliance, and case management.

Speaking of case management, Madam Chairman, that represents the largest staffing component for the office. And as of January of 2019, the outstanding and essential posts of case manager supervisor and three case managers were filled. However, due to two staff members being on maternity leave, the office will remain understaffed until April of 2019.

Despite the staffing shortages, ADS continues to manage both general and complex cases for seniors and persons with disabilities in our community. In 2018/19, the team managed 168 general cases and 24 complex cases. Complex cases are heavily time intensive and difficult to manage, most often due to the clients' and/or the government's limited and fragmented support system. In 2019, the office is working on solutions to address some of the primary challenges in this area, including consideration of public receivership options and required support funding.

A major step in 2018 to strengthen case management services was the purchase of a case management software programme. Ageing and Disability Services spent \$50,768 on this software and training to improve data collection and tracking. The software will certainly help facilitate and ensure more standardised delivery of ADS supports and future system planning.

Compliance. As part of their remit, ADS oversees the Senior Abuse Register Act 2008, the Residential Care Homes and Nursing Homes Act 1999, the personal home care benefit provider registration process, and accessibility building inspections and permit reviews in partnership with the Department of Planning.

In 2018, there were 32 reported and investigated cases of alleged senior abuse, which include physical, psychological and sexual abuse, financial exploitation and neglect. ADS and its partners remain challenged with investigating cases of abuse, especially for an end result of prosecution, due to the complexity of the family, health, care and support circumstances that surround these cases, but also due to our legislative structure. The Ministry is looking for struc-

tural and/or legislation this year to improve the protection and support for all adults in need of such.

For care home compliance monitoring, in 2018, ADS received 15 care home complaints and conducted 15 investigations. At present, with the assistance of a contracted inspection officer, ADS has a 24-hour response rate to care home complaints.

In 2018, twenty licensed care homes received a comprehensive inspection, using a significantly upgraded inspection tool and process based on the new Code of Practice for Care Homes. The code was published as result of the 2017 amendments to the Act and explicitly outlines standards of care, including a Bill of Rights. Care homes have been given a year to address deficiencies against the new code, as of December 2019 re-licensing process will include compliance grades and associated relicensing fees to increase accountability, transparency and, ultimately, the quality of services.

With an ageing population, the demand for long-term care services will grow, including home care, and ADS is seeing this demand through their registration of personal home care providers paid through HIP and FutureCare benefits. Currently, the register has over 500 self-employed home care providers and 14 home care agencies in 2018, compared with 185 home care providers and 10 home care agencies in 2017.

The Ministry is currently reviewing and upgrading the registration process and developing standards for this sector to improve public protection, due process, and quality of care.

Madam Chairman, Education and Awareness are essential components to ADS's mandate. Key achievements and work completed over the last year include the following:

- An Education Officer was seconded in to provide education and professional development programmes to care home staff to facilitate compliance with new Code of Practice;
- The ADS accessibility officer completed over 56 inspections for compliance, but also for consultation and advice to promote accessible design to the community;
- The Disability Advisory Committee and the ADS celebrated the United Nations Day for Disabilities on the 3<sup>rd</sup> of December in partnership with KMCC, MWI, and the Department of Workforce Development, through an outreach and awareness event focusing on employing persons with disabilities; and
- ADS engaged senior groups across the Island regarding offered services and senior abuse. This included stakeholder relationship-building and collaboration to provide education and awareness with the Bermuda Police Service, the Department of Community and Cultural Affairs, and Mid-Atlantic Wellness (MWI) Institute, to name a few.

Madam Chairman, the work of the ADS team is mammoth, and it serves as a proxy for adult social services. However, it cannot fulfil this role with its current structure, resources and legislation. Despite this, however, the staff perform herculean tasks every single day, assisting vulnerable seniors and persons with disabilities where there is no one else to help.

### Bermuda Health Council

**Hon. Kim N. Wilson:** Madam Chairman, the Bermuda Health Council is at Head 21. I want to highlight the work of the Health Council, which is a quango under the Ministry and whose operations are funded in large part through a government grant, to advise and make recommendations on health system matters to the Ministry.

Madam Chairman, the Bermuda Health Council's general purpose is *to regulate, coordinate and enhance the delivery of health services*. The grant for the Bermuda Health Council can be found on page C-17, representing cost centre 6895, under the Ministry of Health. In 2019/20, the Health Council's grant will be \$800,000, which is a return to the grant level given in 2017/18 and 2016/17. The Health Council's total revenue is supplemented by a transfer from the Mutual Reinsurance Fund [MRF], and licensing fees paid by health insurers, for a total budget of \$1.7 million for 2019/20.

Madam Chairman, in 2018/19, the work of the Health Council centred on four strategic areas: quality and standards, regulation, finance and economics, and audit and governance, as well as its mandate to disseminate information to the public. Some of the year's achievements were as follows:

The Health Council facilitated active use of the unique patient identifiers with 14 public and private health service providers, encompassing approximately 1,400 patients. This is a progressive step toward more accurate patient reporting, improved continuation of care, and reduction in health costs associated with unnecessary testing and treatment.

In an effort to enhance the quality of health services provided, the Health Council collaborated with two statutory boards to develop a standards of practice assessment tool, which provides guidance on measuring compliance with and effectiveness of professional standards of practice.

In line with its mandate to identify goals and make recommendations about health services, and ensuring services are provided to the highest standards, the Health Council conducted nine health technology reviews between April and December of 2018. This process involved review of proposed health services to ensure that they would address the care needs of Bermuda's residents and would be provided at an appropriate standard.

Madam Chairman, the Health Council maintained its goal of improving data validity in 2018/19 to

enhance health system analysis and planning. The Health Council collaborated with private and public insurers to identify opportunities to improve accuracy in the data that the insurers receive and improve their internal processes for claims adjudication.

In an effort to increase access to necessary and cost-effective care for all residents, the Health Council reviewed applications from community facilities to provide services under the regulated health insurance package, also referred to as the standard health benefit.

Madam Chairman, between April and December of 2018, the Health Council investigated 231 employer health insurance policies reported as inactive, and conducted nine inspections, representing 1,231 employees.

After investigation and responding to 81 complaints and queries, 40 per cent (or 92) of the policies were reactivated and 37 per cent (or 454) of the employees regained health insurance coverage.

### Financing and Economics

**Hon. Kim N. Wilson:** Madam Chairman, the Health Council published the 2018 National Health Accounts Report, which details total health system expenditure of \$723 million, which reflects an increase of 2.26 per cent and a per capita expenditure of \$11,336.

The council conducts the annual actuarial review of the standard premium rate and published the 2018 Actuarial Report inclusive of premium recommendations for the MRF and standard health benefit.

Madam Chairman, in 2018/19, the Health Council also began to consult about proposed changes to the structure and application of the medical and dental charges, which are the regulated chargeable amounts for non-hospital physicians and dentists who provide services in the hospital.

The proposed changes are intended to address long-standing concerns around appropriate reimbursement for complex medical and dental procedures.

### Audit and Governance

**Hon. Kim N. Wilson:** Madam Chairman, to continue its track record of timely financial transparency, the Health Council, in close collaboration with the Auditor General, tabled its audited financial statements and 2017/18 Audit Report in June 2018.

The Health Council held a Strategic Planning session where the board and secretariat discussed the strategic vision of achieving a quality, equitable and sustainable health system by addressing local and overseas care costs, out-of-pocket payments, data accuracy, accessible essential care for all, support for a reduction in chronic kidney disease, and enhanced collaboration and care integration.

### Information Dissemination

**Hon. Kim N. Wilson:** Madam Chairman, to enhance public education and encourage public awareness and involvement, the Health Council released key pieces of information about the health system and any proposed or upcoming changes. In 2018/19, this included two issue briefs, four information briefs, and one procedure summary. This was also supported through an improvement in its transparency around interactions with different stakeholder groups.

### Looking Forward to the Future

**Hon. Kim N. Wilson:** Madam Chairman, in 2019/20 . . . excuse me.

[Pause]

**The Chairman:** Minister, I will just take a minute to just remind the listening audience that we are in Committee of Supply for further consideration of the Estimates of Revenue and Expenditure for the year [2019/20]. And we are currently doing the Ministry of Health, under Head 21.

**Hon. Kim N. Wilson:** The Health Council will continue its involvement in health system and financing reform to ensure affordable and accessible health coverage for all and achieving a more value-based health system. The Health Council will also continue its work on the development of an essential medicines list and associated regulations, as a step forward toward achieving its mandated function to regulate the price at which drugs are sold.

In June 2019, the Health Council's regulatory oversight will increase in accordance with the Chief Medical Officer (Transfer of Functions and Validation) Act 2018 to include diagnostic imaging facilities, clinical laboratories and hospitals.

In 2019/20, the Health Council will enhance its enforcement of the claims regulations in an effort to further improve the reliability of health system data in aid of health system planning and to better understand health costs.

And finally, Madam Chairman, I would like to acknowledge the 2019/20 Bermuda Health Council board members, whose expertise will contribute to its ongoing achievements. The members are as follows:

- Dr. Alicia Stovell-Washington, Chairperson;
- Mr. Granville Russell, Deputy Chairman;
- Dr. Annabel Fountain;
- Mr. Sandro Fubler;
- Dr. Darrien Ray;
- Dr. Claudette Fleming;
- Mrs. Michelle Jackson;
- Mrs. Laure Marshall;
- Mr. Peter Parker;
- Mrs. Venetta Symonds; and

- Ms. Cynthia Thomas.

In addition, I would also like to acknowledge the ex officio members of the Board of the Health Council, the Permanent Secretary for Health, the Chief Medical Officer, and the Financial Secretary.

Madam Chairman, this concludes my remarks on Head 21, Ministry of Health Headquarters.

### HEAD 22—DEPARTMENT OF HEALTH

**Hon. Kim N. Wilson:** Head 22, the Department of Health, can be found in the Budget Book at pages B-173 to B-183. Madam Chairman, the Department of Health's vision is *Healthy People in Healthy Communities*. The department promotes and protects the physical, psychological and social well-being of the community, to enable Bermuda's residents to realise their optimum quality of life. On page B-176, we see that 285 Department of Health officers work in 25 programmes to ensure the health and well-being of the general population. The total current expenditure is estimated to be \$28,817,000 for 2019/20 and represents a decrease of \$95,000, so that, overall, the budget is very slightly reduced from the 2018/19 original budget.

The Health Department's overarching strategic theme is *to halt the rise of obesity and diabetes*. To this end, the Health Promotion Office develops and implements policies, programmes and products that will promote health and wellness in the community, in collaboration with public health partners. The Department of Health has initiated a whole-of-society approach to halting the rise of obesity and diabetes locally.

Madam Chairman, the Speech from the Throne 2017 stated, "The Government will lead the way in wellness by encouraging its employees to make healthy choices, and will contribute to their well-being by offering programmes, incentives, and education to support the journey to a healthier public service."

The Department of Health is collaborating with the Department of Human Resources, GEHI, and Information and Digital Technologies to form the Government of Bermuda [GOB] Employee Wellness Committee to develop the Government of Bermuda's Employee Wellness Programme, which is branded as [#choosewellness](#). The committee will be rolling out various initiatives in the near future to encourage and support public servants to lead healthier lifestyles.

Madam Chairman, the Healthy Schools Programme promotes health in schools through community health partners, and Department of Health school-based programmes such as Child and School Health, Nutrition Services, Oral Health, Community Rehabilitation Services, and Environmental Health. Healthy Schools has been adopted by 28 of 31 public and private schools, since 2014.

The Premier's Youth Fitness Programme [PYFP] is administered through Healthy Schools. Whilst the programme, implemented by the Premier's Council on Fitness, Sports, and Nutrition, has its roots in all public school levels, the primary aim is to increase the level of physical activity and healthier eating in children and teens, and their families.

Madam Chairman, the 2019/20 budget estimates for Health Promotion and Healthy Schools are listed as cost centres 32240 and 32265, on page B-174, and the combined 2019/20 budget estimate is \$458,000.

Madam Chairman, Nutrition Services has been working towards healthy eating practices within the Health Department's Obesity and Diabetes Framework, which was developed with community-wide consultation and engagement.

Sustainable Nutrition supports accessibility, availability and affordability of healthy foods to all. Programmes include the *Grow. Eat. Save.* workshops, which have been facilitated in partnership with Instructor Chaplain Kevin Santucci, the Department of Parks, the Department of Environment, the Bermuda Agricultural Group, the Devonshire Seventh-day Adventist Church, Animal and Garden and Brighton Nursery. Two workshops, with 54 graduates, have continued, with five weeks of theory and expanded to three months practical experience.

Community Gardens are being promoted in partnership with the Department of Parks, Green Rock, and Keep Bermuda Beautiful, in consultation with the Planning Department, to develop guidelines for the establishment of parish community gardens.

Nutritionists are collaborative partners with the Health Visitors, establishing that the exclusive breastfeeding rates, at age six months, in Bermuda is 16 per cent. This is an increase from a very low 1 per cent rate measured in 2001. This highlights the barriers to breastfeeding in our community, such as the need for policies supporting breastfeeding in workplaces. Continuing policy work includes drafting the Department of Health's Breastfeeding Policy, collaborating with KEMH Maternity Ward for a Baby-Friendly Hospital Initiative, and partnering with WHO/PAHO in the drafting of the Health Department's Infant and Young Child Food Policy.

Community education includes collaboration with the Ministry of Education, the Argus Group, Healthy Schools, the Department of Health, and the Bermuda Dieticians Association in facilitating the School Lunch Challenge, in which 12 schools receive awards for participating, and 23 overall students winners from P1 to M1.

Madam Chairman, the 2019/20 budget estimate for Nutrition Services is listed as cost centre 32110 on page B-173 and is \$189,140.

Madam Chairman, the mission for the Maternal Health and Family Planning Clinic is *to provide women of Bermuda with high quality, accessible and*

*affordable reproductive health services, to promote Planned Parenthood amongst women of reproductive age, and to offer antenatal and postnatal care for women who are underinsured or uninsured.*

The Department of Health provides the Communicable Disease Clinic—

#### POINT OF INFORMATION

**Hon. Patricia J. Gordon-Pamplin:** I am sorry, just a quick point of order.

I lost the Minister with the head to which she is just referring. She is going through it very quickly. And I am trying to copy down and make notes. So, if she would just refer, when it comes to the department heads or the business units, if she could just make sure and slow down a little bit so I can make sure. Then I will not have to come back and ask for it.

**The Chairman:** So, a point of information with regards to that? Is that what you were asking, just so that the heads are clearly read out?

**Hon. Patricia J. Gordon-Pamplin:** Yes.

**The Chairman:** Minister, the Member from constituency 23 has just asked if you could let her know where you are when you are reading in reference to the head and, I guess, the department.

**Hon. Kim N. Wilson:** I am reading about cost centre 32040—

**The Chairman:** Basically, she wanted you to slow down a little.

**Hon. Kim N. Wilson:** Cost centre 32040 at page B-173, for Sexual and Reproductive Health.

**Hon. Patricia J. Gordon-Pamplin:** Thank you.

**Hon. Kim N. Wilson:** You are welcome.

The Department of Health provides the Communicable Disease Clinic and services to prevent and control the spread of communicable diseases; educates the community about sexually transmitted infections, HIV and other communicable infections; and provides education to promote sexual health.

Last year, Bermuda was formally validated by the Pan American Health Organization as having eliminated mother-to-child transmission of HIV and syphilis. This is a distinguished accomplishment met by few countries, globally.

The management of the two programmes has merged into the Sexual and Reproductive Health Programme.

Madam Chairman, I am now turning to the Clinical Laboratory, which can be found at cost centre 32090, on page B-173. The Clinical Laboratory is sit-

uated at the Hamilton Health Centre. Testing of clinical specimens is performed for child health, school health clinics, oral health, and the sexual and reproductive health programmes. The Clinical Laboratory also serves as the Public Health Clinical Laboratory for Bermuda, and provides specimen handling and international transport services to the Caribbean Public Health Agency [CARPHA] Laboratory in Trinidad for advanced testing for diseases of public health significance. In 2019/20, the Clinical Laboratory will be expanding its testing capacity to support diagnosis in the Adult Preventive Health services.

That again is cost centre 32090, which received a budget of \$276,204.

The Child Health Programme, which is listed as cost centre 23030 on page B-173, will receive the sum of \$2,523,000, which is up from the previous year of \$1,876,307, simply because of the transfer of the Health Visitor's post from another business unit that I will speak about in a moment.

Madam Chairman, the Child and Health Programme consists of four sub-programmes—child health; school health, including asthma education; travel health; and immunisation. The programme provides preventive and curative health services for infants, children, adolescents, adults, seniors, and the traveling public. This is conducted through the various clinics, schools and community settings. Services include health and developmental assessments, screenings, referrals, treatment of minor ailments, health education, health promotion, anticipatory guidance, adults' and seniors' immunisations, and travel consultation for travel to high-risk areas.

Bermuda's Expanded Programme on Immunization [EPI] plans for the needs of vaccines in the Child and Adult Schedules. [The] Expanded Programme on Immunization procures most vaccines through the Pan American Health Organization, ensuring safe, effective, cost effective and quality vaccines. Universal access for many of the vaccines is provided through the public and private sectors.

Vaccine hesitancy is a primary challenge, Madam Chairman. Immunisation coverage was 72 per cent at two years of age in 2017, which is significantly below the global target of 95 per cent coverage. Preliminary data for 2018 is 76 per cent. Low vaccination coverage increases our vulnerability as a community to re-emerging vaccine-preventable diseases, such as measles, diphtheria and whooping cough. The concerns are evident in the low immunisation coverage and confirmed through a poll survey conducted as a part of Vaccination Week of the Americas in April 2018.

To that end, Madam Chairman, the Department of Health has created a working group to address public and health provider concerns. The working group includes Health Department staff, private sector physicians, and community stakeholders. The focus of the working group is education for health pro-

fessionals and the public on the issues. The use of technology for messaging is being explored.

In 2018, the Child Health Programme operated below its established manpower levels. This is reflected in the 32 per cent coverage for five-year-old [health] assessments. However, efforts toward tackling childhood obesity have been prioritised, and the data suggest a stationary 22 per cent of all five-year-olds are overweight or obese.

The community health nurses continue to monitor lunches for all 10-year-olds and educate on healthy nutrition. Health information is also sent home, Madam Chairman, to parents.

Madam Chairman, turning to Occupational Therapist and Physiotherapist [OT/PT] Services, which is located in the Budget Book at cost centre 32080 and 32120, on page B-173. The budget for 2019/20 is \$1,035,000 and \$1,022,000, respectively. Madam Chairman, occupational therapist and physiotherapist services are provided to maximise the functional potential of individuals with delays in normal motor development or with physical movement challenges. The OT/PT team comprises nine occupational therapists, eight physiotherapists, one coordinator, and one team secretary who is shared with the programme.

The OT/PT Seniors Team aims to increase awareness of health prevention for seniors and to support clients to remain as independent as possible in their own homes. Therapy's Seniors Team conducts home safety and falls risk assessments for all seniors who are referred, with the intention of minimising the risk of falls at home. Client and caregiver training are provided to maximise function and promote "ageing in place."

The Seniors-based Team continued to be involved with interdisciplinary rest home inspections to ensure that all licensed facilities were in compliance with rest home standards. Additionally, educational talks for residential care facilities were conducted to decrease risk of falls and increase awareness of equipment used to improve independence.

The OT/PT Paediatric Team aimed to increase early recognition of developmental delays and to provide a more equitable service for children and young people with sensory motor delays throughout the year and not just during the school term time. School-age children with additional learning needs due to complex health conditions and/or sensory motor delays require regular monitoring and intervention to retain their functional ability and to access education.

Last year, the Paediatric Team continued to partner with WindReach to provide treatment intervention to school-age children with complex needs and/or sensory motor delays. These services proved beneficial in reducing the risk of regression of motor skills prior to the start of the year.

Madam Chairman, the school-based Paediatric Team successfully conducted motor screens for all students entering Primary-1 public schools. During the screening event, parents had the opportunity to ask therapists about their child's motor skills and learn about activities to help children stay physically active and further develop motor skills.

Madam Chairman, I would like to turn now to the Speech and Language Programme, which can be found at page B-173, cost centre 32100. For the 2019/20 estimate, this programme will receive \$1,592,000. Madam Chairman, the Health Department's Speech and Language Programme provides community-based speech therapy services in homes, schools, and clinic settings across the Island. The ability to communicate effectively is one of the foundations for a healthy community. Speech language pathologists work to promote functional communication skills, as well as to prevent life-threatening complications that may occur during eating and drinking.

The Health Department's Speech and Language Services provide community-based therapy services to infants and children who may be experiencing communication or swallowing challenges. Therapy services include the provision of prevention and promotion information, screenings and assessments, as well as intervention. This year, 83 children were referred to the early intervention programme, with 50 of these having been seen for a screening or assessment. In total, 48 students have been referred to the school-based programme, all of whom have received a full assessment. A combined 334 clients were followed for regular intervention by both programmes.

Madam Chairman, turning now to the Community Health Nurses, which can be found at page B-172 [*sic*], cost centres 32060 and 32010. Their combined budget—

*[Inaudible interjections]*

**Hon. Kim N. Wilson:** Yes, thank you. Page B-173. (I am glad you are listening.)

And their combined budget estimate is \$2,644,000. Again, that is page B-173. I beg your pardon. Cost centres 32060 and 32010, page B-173. Those are the Community Health, Madam Chairman, and the Community Health Administration.

Madam Chairman, community health nurses are responsible for ensuring that the adult population, from age 18 until end of life, has access to health services. Madam Chairman, the analysis of the results of the "Taking It to the Streets" screening initiative showed a high prevalence of behavioural risk factors, such as physical inactivity, tobacco and alcohol use; high prevalence of self-reported non-communicable disease diagnoses, such as diabetes, which represents 16.4 per cent, and hypertension, which represented 38.4 per cent; whilst only approximately 50 per

cent of those diagnosed reported current treatment. Biomedical assessment revealed that almost two out of three were overweight or obese, and four out of five had elevated or high blood pressure.

Madam Chairman, the Bermuda Health Strategy 2014–2019's Health Sector Goal 13 speaks to this, and I quote, "Increase the access to interventions to prevent and manage non-communicable diseases and their risk factors, in order to reduce the burden of chronic non-communicable diseases to Bermuda." As such, the community health nurses will further expand their roles to provide services through the adult preventive health care services. Adult preventive health care services are medical care that focuses on disease prevention and health maintenance, including early diagnosis of disease; discovery and identification of people at risk of development of specific problems; counselling and other necessary referrals; and interventions to avert a health problem.

The Adult Health Programme consists of three sub-programmes, namely, Correctional Health for medical services to inmates in correctional institutions; Occupational Health for medical assessment of recruits to the uniformed services, and Occupational Health services to government employees in hazardous and high-risk occupations; and Forensic Services to the Bermuda Police Service [BPS] and medical supervision of detainees in police custody.

During 2018, 110 clinical sessions servicing 1,020 inmate medical consultations were conducted at Westgate facility. Also, 86 per cent, or 176 new inmates received an initial medical examination within 72 hours of intake. Fifty-six recruitment medicals were completed for the uniformed services, which include police, fire, and corrections. During calendar year 2018, a total of 43 BPS forensic call-outs during working hours and 96 after hours, a total of 139, were serviced.

Madam Chairman, the Oral Health Section, which I would like to continue with, can be found at cost centres 32150, 32155 and 32160, at page B-174. And their combined 2019/20 budget estimate is \$1,497,000. Again, that is with respect to oral health.

The Oral Health Section provides comprehensive dental services to Bermuda's children up to the age of 18 years old, as well as seniors 65 years and older, priority groups, and others including the prisoners at the co-ed and other institutions. These services include prevention, consultation and dental hygiene services, as well as other restorative clinical services. Some of these services are free of charge. The services have now expanded to include full-time dental service at the St. George's clinic, and plans are on the way to provide clinical services to Somerset in the near future.

Preventive services are provided at the schools. The preventive dental staff visit each classroom in the pre-school and primary school settings to provide oral hygiene instructions, fluoride supplement-

tation in the form of drops and tablets, and the screen and seal programmes at the schools, which have been very effective in protecting the children's teeth and reducing the incidence of tooth decay.

Madam Chairman, the Central Government Laboratory, which can be located in the Budget Book at page B-174, cost centres 32200, 32210 and 32220, has a combined 2019/20 budget estimate of \$1,220,000. Again, that is with respect to the Central Laboratory. And that provides a wide range of analytical services.

The forensic programme performs seized drug and toxicology analysis. The seized drug analysis section has seen a change in the type of submissions to the laboratory, particularly those involving [tetrahydrocannabinol] THC-containing products. The product types submitted are no longer the traditional cannabis plant or resin, but are coming in the form of the ever-increasing and popular edibles. The edibles that have been submitted to the laboratory for analysis include gummy candies, lollipops, chocolate and THC-containing e-cigarettes [e-joints]. All include concentrated extracts of THC.

As a direct consequence, toxicology analysis has increased in the clinical area for patients who present themselves to the Emergency Department at KEMH with symptoms of apparent paranoia and psychosis.

The Water and Food Programme continues to perform analysis of potable and recreational water samples, dairy products and food, working closely with the Environmental Health Section. There were 3,832 water samples tested in the prior budget period, and samples for this budget period are showing a further increase. As well as the analysis of dairy products to meet legislated standards, food samples are now being collected routinely from licensed food preparation and retail establishments, and tested for bacterial quality and the presence of disease-causing microorganisms.

Vector Control, Madam Chairman, which is going to be located in the Budget Book at page B-174, at cost centre 32190, has a 2019/20 budget estimate at \$1,637,000. Vector Control is a hard-working team that gets results and ensures that threats of rodent-borne and mosquito-borne diseases like Dengue (I am looking at the former Minister. I said I was going to get that right!), Chikungunya and Zika do not manifest themselves in Bermuda.

Always trying to improve its services, Vector Control has piloted the use of novel rodenticide baits that include rat birth control. Residents are reminded that the best way to limit rodent numbers is to deny rodent access to food sources, such as garbage, by using lidded, metal trash containers and not putting trash out on non-pickup collection days.

The New Day Care Standards, Madam Chairman, were released in November of 2017 and updated in 2018. All stakeholders involved in child

care, from the government agencies to parents and child care providers, are now clear on what is expected from them. A renewal of the oversight system for Bermuda's—

**The Chairman:** Member from [constituency] 23, do you have a question?

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Madam Chairman.

Yes. We were just talking about Vector Control. And now I am hearing about child care. So, I am just wondering if the Minister can go back and highlight what head she is speaking about, because obviously we have moved on to something different.

**The Chairman:** Minister, can you clarify, please?

**Hon. Kim N. Wilson:** Yes. Child Care Standards comes under the Department of Environmental Health. It is not Vector Control.

**Hon. Patricia J. Gordon-Pamplin:** So, you were just talking about Vector Control. Okay.

**Hon. Kim N. Wilson:** It comes under the Department of Health. I am trying to truncate this brief. It is . . . (just a moment).

*[Pause]*

**Hon. Kim N. Wilson:** I will have to get that information for the Honourable Shadow Minister. This is with respect to the Day Care Standards, which I do not believe are associated with a cost centre. It is just the standard that we have for implementation of the day care standards. But if it relates specifically to a cost centre, I will get that information this afternoon.

**The Chairman:** So, the Minister will get that information to you.

Thank you, Minister. Proceed.

**Hon. Kim N. Wilson:** The stakeholders involved in the government agencies to parents and child care providers are now clear on what is expected. And a renewal of the oversight systems for Bermuda's child care settings has also since resulted. I did provide Honourable Members last week, Friday, with full details concerning that during the course of a Ministerial Statement. So, I will not further repeat myself from last week, just to ensure that we have a proper use of our time.

Madam Chairman, the Environmental Health Section continues to provide monitoring, investigative and regulatory functions in such diverse areas as food safety, occupational safety, nuisance control, water safety, and tobacco control.

Occupational Safety and Health, which is cost centre 32270, at page B-174, is being rejuvenated, with the recruitment underway for a safety and health inspector, to enable more proactive inspections and industry outreach and collaboration. The aim is to increase adherence to occupational safety and health standards, thereby reducing the number of workplace accidents, ill health conditions, and dangerous occurrences.

Environmental Health carries out inspections of cruise ships and other vessels visiting the Island. This port health function is central to Bermuda's compliance with international health regulations.

Madam Chairman, the budget estimates for Environmental Health are listed on page B-174, as cost centres 32170, 32270, 32171, 32172, 32173, 32175, 32180 and 32285, and their combined budget, which excludes Vector Control, is \$2,297,000.

Madam Chairman, turning now to page B-173, which addresses cost centre 32015, the Sylvia Richardson Care Facility, for 2019/20, the budget estimate—

*[Inaudible interjection]*

**Hon. Kim N. Wilson:** Pardon me?

Again, page B-173, cost centre 32015, Sylvia Richardson [Care Facility], is \$5,690,000. The Department of Health operates two exemplary long-term care facilities, Sylvia Richardson Care Facility (SRCF) in St. George's, and Lefroy Care Community in Sandys. They provide care and promote independence and optimal health in persons aged 65 years and over.

Madam Chairman, Lefroy House Care is also at page B-173, line item, cost centre 32000. Both of these facilities provide care and promote independence and optimal health in persons age 65 years and over who have significant nursing and care needs requiring 24-hour facility-based care.

Although the standard of care at Lefroy House is second to none, the physical plant has exceeded its useful life and no longer serves our elders well. Lefroy House is close to sea level, and its exposed location has caused it to be damaged by several hurricanes in past years. The Government has now set aside a parcel of land in the vicinity of Rockaway, in Southampton, for the re-location of Lefroy House, and that will also serve as a community health centre for the West End residents.

Additional funding was also approved last year for re-opening 10 nursing beds at Sylvia Richardson Care Facility. Although the 10 beds were previously designated, occupied and funded as the "assisted living," or more independent-care level, it was recognised that this no longer reflects the level of care needed in the population.

Last year's increase in funding and staffing will allow for all 43 beds to be "nursing-care level."

New staff have been hired, and as of February 2019, new residents have begun to be admitted. It is anticipated that all vacant beds will be filled by the end of March 2019.

## Revenues

**Hon. Kim N. Wilson:** Madam Chairman, with respect to Revenues for the Department of Health, that can be located at page B-175. The Revenues for the 2019/20 year are projected at \$3,610,000. These revenues come from the sale of medications, vaccines and biologicals; fees for clinical services; patient fees from the two long-term care facilities; as well as fees for licences and permits issued by the Environmental Health Section of the department.

That concludes Head 22.

## HEAD 24—HOSPITALS

**Hon. Kim N. Wilson:** Turning now to Head 24, which is the Hospitals, that can be located at pages B-184 to B-185 of the Budget Book. Madam Chairman, Bermuda remains severely challenged, like many developed countries, in providing affordable health care services to an ageing and increasingly unhealthy population. Having the Island's only hospitals, and being the largest provider of health care services, Bermuda Hospitals Board [BHB] is frequently a [point of] focus in discussions of how to manage costs.

I would like to start with a national view. Madam Chairman, whilst diagnostic technologies and services, specialist physicians and surgeons, and leading-edge therapies have all been developed and provided at our local hospitals, and increasingly in the private sector, these do not address Bermuda's biggest issues related to health: a growing senior population that has increased from 14 per cent in 2010 to [a projected] 20 per cent in 2020, and people with multiple chronic diseases called "multimorbidity." We cannot lose specialist services which serve many people on the Island very well.

But the bigger question is how the entire system can respond to the community's most pressing health needs. These tend to play out in the hospital at the moment, as it is frequently the only safety net for some of the most vulnerable and unwell people in our community.

This is the big picture that we have to address, and BHB is a willing partner in seeking to address it. For just as government, businesses, and individuals in Bermuda cannot afford the spiralling health care costs, neither can our hospitals.

Both King Edward and the Mid-Atlantic Wellness Institute are working with increasing demand, comorbidity, limited ability to reduce the surge of people in need coming through the doors and limitations on discharging people safely, all in the context of restrict-

ed finances and suboptimal facilities to manage the increase.

### **BHB Financial Position**

**Hon. Kim N. Wilson:** Madam Chairman, perhaps the most complex challenge facing our health care budget is that Bermuda Hospitals Board cannot fully reduce the country's burden of hospital costs on its own. An effective solution to reduce hospital costs requires the development of solutions outside of the hospitals, both to avoid admissions and to care for post-acute patients when they are discharged.

BHB is in the second year of its Financial Recovery Plan [FRP], which was developed in response to a one-off \$25 million budget cut to hospital subsidy in fiscal year 2018. The Financial Recovery Plan identified a total savings' requirement of \$29 million over a four-year period. The expectation of a fixed income agreement being introduced in 2019 means that this plan is now being revised and further savings will have to be made.

Madam Chairman, in fiscal year 2018/19, BHB expects to achieve a break-even position, having delivered a deficit of \$21 million in the fiscal year ending 2018. This position is, however, non-recurrent and will be supported by a number of technical and one-off adjustments. These include changes to accounting policy on inventory, changes in depreciation policy, and a one-off change relating to the Nurses' Superannuation scheme where provision for this payment is no longer required.

Although not cash-backed, this has allowed BHB to reach agreement on fee charges related to MRI and CT imaging without any requirement for additional funds, thus supporting the wider governmental financial position.

While there have been early successes in holding expenses close to the level last year, revenue related to dialysis and inpatient revenue are projected to decline to \$87 million, compared to \$91 million in 2018. Long-term care revenue for 2019 is projected to be \$27.5 million (compared to \$29.6 million in 2018), with average occupancy exceeding 95 per cent for both years. Dialysis revenue for 2019 is projected to be \$23 million, and this is as compared to \$24.5 million in fiscal year 2018. These [revenue declines] have also continued to cause significant pressure on BHB finances.

Turning to financial year 2019/20, BHB expects operational expenses to increase by at least 1 per cent, reflecting the impact of inflation. This will add \$3.5 million to the forecast outturn expenses position for 2019 of \$335 million.

BHB expects to continue to invest capital funds in its ageing infrastructure, but it is focused on its future strategic requirements by reserving funds within its capital programme for two key developments: (1) the development of an electronic health

record that will benefit the entire population of the Island and will support strategies to improve population health; and (2) the production of a business case for the redevelopment of our KEMH and MWI sites. An initiative that will dramatically improve the facilities' health care is provided, while reducing annual running costs.

Madam Chairman, BHB has invested significant resources in the delivery of its Strategic, Clinical Services, and Financial Recovery Plans. These plans aim to deliver high-quality care within available resources. BHB will not negatively impact clinical quality or financial balance as a result of moving to capped revenue. However, in order to manage utilisation, which, along with inflation, is the main driver of costs, it may have to place clinical controls on the access to non-urgent care.

This may be accompanied by review of the current clinical thresholds in place. The new funding model will require BHB to be more efficient in its use of resources. All processes and procedures will be carefully reviewed, and redeployment roles for staff will be sought where possible.

### **Hospital Utilisation and Capacity**

**Hon. Kim N. Wilson:** Madam Chairman, like most hospitals, Bermuda Hospitals Board has evolved and grown in line with international best practice and technology. It can treat infectious diseases; manage trauma, mental health and substance abuse issues; and provide the latest specialists and therapies for diseases such as cancer. BHB has also followed international standards by transferring intellectual disability residents out of the institutionalised hospital setting into its group homes.

BHB currently sees over 36,000 attendees annually at the Emergency Department; admits approximately 500 patients per month for inpatient care; has over 1,100 child and adult mental health service users; undertakes over 8,900 surgeries per year in the operating room; conducts over 56,000 diagnostic imaging tests and 3 million lab tests; supports the births of over 500 babies; and cares for 142 dialysis patients, 102 long-term care residents, and 108 hospice patients per year.

At the same time, as people visiting the Emergency Department may have experienced, BHB is under increasing pressure. It is not just the numbers of people coming into Emergency, but it is the complexity of the cases and the multiple health issues they have, the length of time that they need for assessment and diagnostics, and the increased likelihood of their being admitted to hospital. Admissions are up nearly 20 per cent compared to last year.

And yet, discharging patients remains challenging. Families may resist their senior's return, there may not be a nursing home space, community care services are not available enough to support seniors

safely back in their homes, and sometimes it is just because it is raining, or a family member does not come to pick up their senior loved one.

Madam Chairman, this is a major issue in King Edward, but there are similar problems at the Mid-Atlantic Wellness Institute, as well, where beds are also limited. The secure ward, Somers Annex, is over-filled by 30 per cent, and the Somers Ward inpatient unit is nearly 80 per cent full. Even in Child and Adolescent Services, where normally occupancy has historically not exceeded much more than 20 per cent, inpatient occupancy in the last two months of 2018 was 88 per cent and 85 per cent, respectively, and this continued into January.

In pure numbers, mental health inpatient numbers rose from 2,007 [sic] in 2016/17, to 277 in 2017/18, which represents a 35 per cent increase.

**The Chairman:** Honourable Member.

#### POINT OF CLARIFICATION

**Hon. Patricia J. Gordon-Pamplin:** Sorry. It rose from 2,007 to 277. Was that 207? You said 2,007. I just want to make sure that I get the numbers right.

**The Chairman:** Minister.

**Hon. Kim N. Wilson:** In pure numbers, mental health inpatient numbers rose from 207 in 2016/17, to 277 in 2017/18, representing a 35 per cent increase.

Fiscal year 2018/19 also saw the culmination of work between BHB, the Ministry of Health, and the Ministry of National Security to relocate a prisoner with a challenging mental health diagnosis to St. Andrew's Hospital in Northampton, England. Secure facilities and trained specialist staff of the kind required to house a patient with this individual's complex mental health needs do not exist in Bermuda. Working with Government, Bermuda Hospitals Board did successfully provide round-the-clock care while the individual waited to be transferred to the UK at a cost of \$400,000. BHB continues to liaise with St. Andrew's so that ongoing needs are assessed. It manages an annual budget of \$280,000 to support this individual's care.

There are also changing dynamics in the group homes due to the ageing of people with intellectual disabilities and mental health problems. About 55 per cent of the people in mental health group homes are over 65. That is a considerably higher rate than the community, and the increasing physical health issues that this population is experiencing are straining the service.

Intellectual disability group homes are similarly pressured by the increasing number of ageing residents and increasing numbers of intellectual disability service users who are currently residing in the com-

munity and need more support. But the staffed group homes, being at capacity, cannot accommodate them.

#### Reducing Utilisation

**Hon. Kim N. Wilson:** With respect to reducing utilisation, Madam Chairman, the Patient-Centred Medical Home has continued to care for people who have chronic illnesses who may be underinsured or not insured. Numbers have increased from 167 last year to 2,013. Last year, I provided the clinical data supporting reduced Emergency Department attendances, fewer admissions to hospitals and improved health outcome. And this has continued.

**Hon. Patricia J. Gordon-Pamplin:** Sorry, Madam Chairman.

**The Chairman:** Member, do you have a point of clarification?

**Hon. Patricia J. Gordon-Pamplin:** A point of clarification requested, Madam Chairman.

**The Chairman:** Yes.

#### POINT OF CLARIFICATION

**Hon. Patricia J. Gordon-Pamplin:** Madam Chairman, the Honourable Minister indicated that Patient-Centred Medical Home residents increased from 167 last year, and then she went up to 2,013 in the current year. I am just not sure if we are just getting mixed up in numbers. It is important that we get the numbers right. So, I just wondered if the Minister could clarify what the number is. From 167, what is the new number for this year?

**The Chairman:** Minister, the Honourable Member is asking for the clarification.

**Hon. Kim N. Wilson:** Thank you. I got the question. Thank you.

No, it is not a home. I mean, it is the procedure, the programme at the hospital. And the numbers have increased from 167 last year to 2,013 currently.

[Pause]

**Hon. Kim N. Wilson:** I will confirm that number after lunch, as well.

#### BHB Strategic Activities

**Hon. Kim N. Wilson:** The strategic activities for BHB are as follows: Against the clinical pressure to do more is the pressure to reduce costs while improving quality. These are key platforms of the BHB strategy, which took on the Institute of Healthcare Improve-

ment's triple aim in 2016 to reduce the per capita cost of care while improving quality and the experience of patients.

As part of this strategic plan, BHB recently partnered with the prestigious Johns Hopkins Medicine International [JHMI]. While the primary goal of this association is to support the education and training of its clinical staff, BHB is working with Johns Hopkins specialists to assess its stroke service with a view to making improvements and is going to accept residents from Johns Hopkins Medicine International on one-month rotations, starting in the Emergency Department.

BHB is also working with the acclaimed patient safety and service improvement experts from the Institute of Healthcare Improvement, initially focusing on reducing the incidence of falls, pressure injuries, and central line infections. A service improvement programme is also underway with the support of KPMG, who are providing people experienced in supporting hospital services to become more efficient.

#### Estates Management and Facilities

**Hon. Kim N. Wilson:** Madam Chairman, while the maintenance of the Acute Care Wing is paid for as part of the public/private partnership, the median age of the Bermuda Hospitals Board's General Wing and Mid-Atlantic Wellness Institute facilities is over 50 years old. These facilities have been subject to decades of under-investment. How BHB can best maintain or replace its ageing facilities in the future is already being investigated. As already mentioned, an Estates Master Plan has been developed, looking at several options as to how best to deliver services from our facilities. Further work is underway to finalise the business case for investment, which will deliver annual revenue savings.

That concludes the presentation with respect to Head 24, Hospitals.

#### HEAD 55—FINANCIAL ASSISTANCE

**Hon. Kim N. Wilson:** Now turning to Head 55, Financial Assistance, which can be found in the Budget Book on pages B-186 to B-189. Head 55, the Department of Financial Assistance. The mission of the Department of Financial Assistance is *to ensure that Bermudians with insufficient financial resources have access to services in order to gain, maintain or regain a minimum standard of living while encouraging personal and economic independence.*

The budget, Madam Chairman, for the current expenditure is estimated to be \$51,683,898. There is no change from the prior year. This amount constitutes 21 per cent of the budget allocation for the Ministry as a whole.

*[Inaudible interjection]*

**The Chairman:** Point of clarification. What is your point of clarification?

#### POINT OF CLARIFICATION

*[No audio microphone off]*

**The Chairman:** Minister, there is a point of clarification on the floor with regard to the figures that you read on page B-187.

**Hon. Kim N. Wilson:** Madam Chairman, I will also get that clarification whilst we break for lunch. I will get that clarification. It seems to be \$12 off.

**An Hon. Member:** It is \$200,000 off.

*[Pause]*

**Hon. Kim N. Wilson:** The total current expenditure is fifty-one thousand, six-hundred and eighty-three dollars, and eight-hundred and eighty-nine cents *[sic]*.

*[Pause]*

**Hon. Kim N. Wilson:** I will clarify that position after lunch.

**The Chairman:** Thank you, Minister.

**Hon. Kim N. Wilson:** The allocation of funds will continue to maintain grants, Financial Assistance programme support, and the child day care scheme during the fiscal period.

There is no capital project planned for the year 2019/20.

#### Manpower

**Hon. Kim N. Wilson:** With respect to Manpower, the full-time equivalent [FTE] count for 2019/20 remains at 34, as detailed in page B-188. The caseloads at the department continue to remain steady, with Financial Assistance workers maintaining over 200 clients per worker.

Management Consulting Services has commenced a review of the organisational structure and operation of the department to determine the optimal design or framework to meet current and projected client demand. This was the first recommendation accepted from the 2018 Reform Group Report.

#### Output Measures

**Hon. Kim N. Wilson:** The Output Measures for 2019/20 can be located at page B-187, and estimates are listed as two business units, namely, 65050, Grants and Administration; and 65080, General Administration. Cost centre 65050, Grants and Admin-

istration, is estimated at \$49,511,635. These funds manage grants—

**Hon. Patricia J. Gordon-Pamplin:** Sorry.

**The Chairman:** Point of clarification? Yes.

#### POINT OF CLARIFICATION

**Hon. Patricia J. Gordon-Pamplin:** I do have a point of clarification.

Is there an errata page for Head 55, Financial Assistance? Because the numbers that the Minister is speaking of in her brief bear no relationship to what is in the Budget Book. So, it is important at least if we are debating something that we have the right numbers.

**The Chairman:** Minister, the numbers on page B-187, and I was following as well. The number that you read did not correspond with what is actually in the book in front of us.

*[Pause]*

**The Chairman:** Would you like a minute to confer?

**Hon. Kim N. Wilson:** Yes, thanks.

*[Pause]*

**Hon. Kim N. Wilson:** Okay. Madam Chairman, the first issue that was raised by the Honourable Member concerning the expenditure, the total current expenditure. That is . . . (just a moment).

Just a moment, Madam Chairman.

*[Pause]*

**The Chairman:** Just for the benefit of the listening audience, we are now in Committee of Supply for further consideration of the Estimates of Revenue and Expenditure for the year [2019/20]. And we are on Head 55, Financial Assistance.

**Hon. Kim N. Wilson:** Thank you, Madam Chairman.

Just for a point of clarification, the Budget Book and the information that pertains to the Budget Book, if I can refer Members to page B-187. The revised estimate of 51.684 was a pre \$200,000 transfer from Teen Haven to Child and Family Services.

Child and Family Services is under a different Ministry. So, this was written prior to the transfer of the \$200,000 grant that now will be facilitated to post—

**The Chairman:** Member, do you have something that you wish to say? Thank you.

Minister, proceed.

**Hon. Kim N. Wilson:** Thank you, Madam Chairman.

That is post the Teen Haven grant in the sum of \$200,000 being transferred to the Department of Child and Family Services.

I was at page B-187. For the Output Measures, Madam Chair—

**Hon. Patricia J. Gordon-Pamplin:** Sorry. Sorry.

If I can just help the Minister. With respect, I understand what she is saying about the transfer. But the Minister spoke to a 65050 of \$49,511,000, which in the book, even if the transfer was considered, that is not the right number. So, if the Minister can just make sure and correct that number so what we've got it appropriate. Thank you.

**The Chairman:** Minister, do you have that question?

**Hon. Kim N. Wilson:** I do, and I will provide that information from the technical officers.

**The Chairman:** Thank you.

We will proceed.

**Hon. Kim N. Wilson:** The 2019/20 budget estimates are listed at two business units at page B-187, 65050, Grants and Administration; and 65080 . . . and that would include the \$200,000 that we just spoke about. So, 65050, these funds are used to maintain grants, but I will clarify that exact figure from the technical team. But I can say that the grants, the purpose of the fund is to maintain grants to Financial Assistance and child day care programmes. There is no change in the amount from the prior year, and all programmes remained static in activities whilst the department transitioned, with the introduction of a brand-new director.

Madam Chairman, there are two types of grants awarded from this estimate. The first involves the issuance of funding to support community-based programmes such as the Society for the Blind, Meals on Wheels, STAR (Supportive Therapy for persons with AIDS and their Relatives), Salvation Army Shelters, and Teen Haven.

The total support to these helping organisations amounts to \$828,000. The remaining amount of \$48,683,635 serves as the total budget divided between the assisted programmes for eligible individuals of \$45,283,635, and the child day care scheme of \$3,400,000.

Madam Chairman, this year, the department addressed recommendation number 5 of the Reform Group Report, which spoke to eliminating the job search sheets once used by able-bodied and earnings-low Financial Assistance clients to perform job search activities. The recommendation read, "firmly establish the job search component for able-bodied unemployed financial assistance clients under the Department of Workforce Development and target job

searches as part of a case management plan that provides appropriate guidance.”

In a previous Ministerial Statement, there was mention that clients, who must participate in job search activities as a part of their eligibility requirement to receive a financial award, must now utilise the Bermuda Job Board. The officers at the Department of Workforce Development stand ready to assist them in finding suitable employment opportunities.

Madam Chairman, there were 38 investigated cases of alleged abuse during this reporting period. Some of the reported cases involved overseas travel, overstated timesheets from caregivers, receipt of financial assistance whilst being gainfully employed, undisclosed income, returned to Island less than one year ago, and unreturned funds from rest or nursing homes where client passed without notification to the department.

A total of \$197,018 was owing at the beginning of the year. The investigative officers were successful in recouping \$29,729, leaving an outstanding amount of \$167,288 owing to the department. The department is working closely with the Attorney General's Office to consider all options to obtain these funds.

Madam Chairman, the total estimate for cost centre 65080, General Administration, for 2019/20 is \$3,172,000. There is no change from the prior year. The largest expenditure in this unit is for the manpower that manages cases and conducts oversight; therefore, salaries represent the largest component, as can be seen in the analysis on page B-187. Nevertheless, salaries represent less than 6 per cent of the total spend on Head 55.

### Major Policy Changes

**Hon. Kim N. Wilson:** Madam Chairman, with respect to the other policies that are coming up this year with respect to Financial Assistance, there are a number of recommendations.

You would recall that on the 11<sup>th</sup> of February, I delivered to the Honourable Members of this House a Ministerial Statement where I indicated and provided an update on the Financial Assistance Reform, as well as the recommendations that came from the Financial Assistance Reform Committee, and invited Members to familiarise themselves with that document.

### Plans for the Upcoming Year

**Hon. Kim N. Wilson:** Plans for the upcoming year are that, in keeping with the work performed by the reform group, there are a number of recommendations, again that I referred Members to in my Ministerial Statement just a couple of weeks ago, on the 11<sup>th</sup> of February. And I would advise them to consider that.

And this ends the presentation of Head 55.

## HEAD 91—HEALTH INSURANCE

**Hon. Kim N. Wilson:** Moving on to Head 91, which is at pages B-190 to B-193 of the Budget Book. And that relates to the Health Insurance Department [HID], which has as its mission *to deliver health benefit products with participant focus, consistency, stakeholder collaboration, coordination of affordable benefits, and prudent fiscal and operational management.*

HID's primary role is to provide access to affordable health insurance to all of Bermuda's residents. This mandate is particularly demanding in Bermuda today with the pooled challenges of increasing health costs, poorly managed chronic illnesses, a rapidly ageing population together with low birth rates, and the growing financial weight on individuals and families who are forced to choose between the importance of purchasing health insurance versus daily living necessities. A more value-based health system is needed to manage these demands, which can be achieved by concentrating on population health outcomes and through health financing reform. These actions will assist in reducing the health system's mounting financial pressures, as well as improving overall population health through the delivery of optimal health services to all residents.

Madam Chairman, for the 2019/20 fiscal year, \$3,995,000 has been allocated for this head, which is equal to the approved 2018/19 budget. Head 91 is the partial source of funding behind the Health Insurance Department, which is responsible for developing and administering the government's social health insurance products offered to the public, namely, the following:

- the Health Insurance Plan (HIP);
- the FutureCare Plan;
- the Mutual Reinsurance Fund (MRF); and
- the Government Subsidy Programmes, which pay towards the hospitalisation costs of select populations.

Madam Chairman, HID's policyholders have seen no increase to monthly premiums since 2015 as a result of the Government's financial support and transfers from the MRF. Although there were no benefit additions to the HIP and FutureCare plans directly, the FutureCare pharmacy benefit was amended to apply the same 100 per cent coverage to brand or generic drugs, with the FutureCare pharmacy benefit remaining at \$2,000.

Through this change, pharmacy co-pays were eliminated, and policyholders are no longer beholden to generic drugs in instances when they are more expensive than name brand. This change also eliminated administrative inefficiencies, meaning that HID will no longer have to manually re-examine claims, after they have been submitted and paid, to differentiate between generic and name brand. In the absence of universal drug coding across Bermuda, this manual

process was inefficient and policyholders did not gain any benefit.

Madam Chairman, during fiscal year 2018/19, the Health Insurance Department continued to provide the Personal Home Care [PHC] benefit to eligible policyholders. Approximately 305 policyholders regularly use the personal home care benefit, with HID receiving, on average, four requests for the benefit weekly. It is estimated that HID will pay out more than \$6 million on PHC claims for fiscal year 2018/19, which represents an increase of 43 per cent versus the 2017/18 fiscal period.

Given Bermuda's rapidly ageing population, it can be deduced that the demand for this benefit can exponentially trend upward in the coming years. In 2019/20, HID will pursue ways to restructure the current administrative and operational processes to ensure that the benefit is maintained at a practical level and economically supported.

Madam Chairman, HID's commitment to the treatment of chronic non-communicable diseases continued through the Enhanced Care Pilot Programme (ECP), which is a primary care programme to assist underinsured and uninsured persons with chronic non-communicable diseases.

Currently, the programme has 198 active participants. To date, clinical measures demonstrate that the overall [disease] trend is moving in a positive direction, with health improvements and stabilisation being shown. The outcomes vary with co-morbidities and other factors; however, results show that participants had significantly fewer emergency room visits and hospitalisations.

Madam Chairman, the participants' and providers' feedback has been very encouraging, with both proclaiming positive experiences and desires to see the programme continue.

Looking forward to 2019/20, HID is collaborating with relevant stakeholders in framing a reorganised Enhanced Care Pilot Programme that will continue to meet some of the health care needs of the underinsured and uninsured population, while more efficiently managing care and streamlining the collection of necessary data for future care.

Madam Chairman, I will now summarise the operating results of the various funds under HID's administration, followed by a discussion of the Performance Indicators for the department in that period.

### HID Operating Results

**Hon. Kim N. Wilson:** HIP Operating Results; the [projected HIP] headcount for 31 March 2019 is approximately 3,290 persons versus the previous year's total of 3,070. This represents an increase of 220 persons, or roughly 7 per cent. Projected HIP premiums earned for fiscal year 2018/19 are \$16.3 million, which represents a \$219,000, or 1.4 per cent, increase from 2017/18. Claims incurred in 2017/18 equalled \$27

million, with 2018/19 estimated to be on par at \$26.9 million. HIP has allocated approximately \$1.1 million in administrative expenses in fiscal year 2018/19.

### FutureCare Operating Results

**Hon. Kim N. Wilson:** The projected headcount for FutureCare is approximately 4,158 persons as of the 31<sup>st</sup> of March 2019, which represents an increase of 73 persons, or roughly 2 per cent, compared to March last year. Projected FutureCare premiums earned for fiscal year 2018/19 are \$24.7 million, which is an increase of \$438,000, or 1.8 per cent, from 2017/18. Claims incurred for 2018/19 are estimated, in total, to be \$35.9 million as compared with \$32.3 million of last year. Administrative expenses of approximately \$1.1 million will be incurred by FutureCare for the fiscal year 2018/19.

### Mutual Reinsurance Fund Operating Results

**Hon. Kim N. Wilson:** The MRF premium, Madam Chairman, for 2018/19 increased to \$101.97 per month, from \$91.57 per month during fiscal year 2017/18. This was an increase of \$10.40, or 11 per cent, mostly to fund dialysis- and kidney-related claims. The total projected premiums to be received by the MRF for the year ended 31 March 2019 total \$57.6 million, representing an increase of \$6.9 million, or 14 per cent, compared to fiscal year 2017/18.

Despite Mutual Reinsurance Fund premium increases in 2017/18, unexpected underfunding occurred for dialysis claims, resulting in a debt of approximately \$9 million due to the Bermuda Hospitals Board for the 2017/18 fiscal year. Total MRF claims for dialysis during 2017/18 totalled \$21.7 million, with 2018/19 having a projected total of \$19.9 million. Administrative expenses of \$1.1 million have also been allocated to the MRF for the 2018/19 fiscal year.

### Subsidy Operating Results

**Hon. Kim N. Wilson:** The total forecasted claims for hospitalisation under the youth, aged and indigent subsidy programmes are \$105.8 million for the year ended 31<sup>st</sup> of March 2019. These claims are paid from the Consolidated Fund and represent an increase of approximately 30 per cent from the 2017/18 fiscal year's \$81 million. There is \$1 million budgeted in the Consolidated Fund for fiscal year 2018/19, which contributes towards the administration of the aged, youth, and indigent programmes.

### Performance Measures

**Hon. Kim N. Wilson:** Madam Chairman, Performance Measures, the qualitative service performance, at Part 2, which is found at pages B-192 and B-193 of the Budget Book. The HIP and FutureCare claims exposure is jeopardised by reason of the risk which they

absorb as the “insurers of last resort,” and as a pool of the costliest demographics, the disabled and the elderly. Due to the absence of underwriting, as a social programme, some of our performance results are far removed from pure insurance industry standards. Performance indicators of note encompass the following: medical loss ratios; actual claims expenses incurred (in dollars), along with a comparison with the previous year’s (expressed as a percentage); claims turnaround times; and procedural and financial accuracy of key functions.

### Loss Ratios

**Hon. Kim N. Wilson:** Madam Chairman, based purely on the premiums collected, HIP’s projected medical loss ratio for fiscal year 2018/19 is equivalent to fiscal year 2017/18 at 167 per cent, with FutureCare estimated to be 145 per cent, rising from 133 per cent in fiscal year 2017/18. The department’s projected claims increases for 2018/19 versus the previous year are forecast at 11 per cent for FutureCare and negative 0.3 per cent for HIP.

Madam Chairman, the health insurance coverage offered by the department is recognised as insurance that is available and affordable to all residents of Bermuda regardless of their health status. Consequently, the plans assume a high level of risk that private plans never face.

HID’s social mandate tasks them with protecting the interests of a population often considered uninsurable; therefore, HID does not medically underwrite anyone applying for health insurance coverage. Therefore, the plans require significant financial support from the MRF and the government. Without this support, affordable health insurance options available to the public would not exist, resulting in the government paying larger amounts through indigent subsidy claims. Thanks to the funding provided by the government and the Mutual Reinsurance Fund transfers, overall projected loss ratios for fiscal year 2018/19 estimate HIP to be 60 per cent, with FutureCare at 140 per cent, for a combined loss ratio of 90 per cent. Proper funding of the plans allows HID to effectively service policyholders’ health care needs.

### Claims Paid

**Hon. Kim N. Wilson:** With respect to the claims paid, Madam Chairman, the department paid out \$81.3 million in total claims incurred in fiscal year 2017/18. We forecasted paying an estimated \$83.4 million for all the funds for fiscal year 2018/19, which represents an increase of approximately \$2.1 million, which is offset against an increase in PHC claims and dialysis decreasing due to a legislation change introducing a subsidy component.

With respect to turnaround times, Madam Chairman, HID has consistently maintained a high

standard of claims processing, with a steady 14-day turnaround time and a 99.0 per cent accuracy rate. The turnaround time for new enrolment administration is two days with 98 per cent accuracy, with turnaround time for eligibility changes and adjustments also at two days with 98 per cent accuracy. The department’s turnaround times are independently verified.

Thanks must be given to HID’s various business partners, including Sutherland Healthcare Solutions, Argus Insurance, ProServe, and Global Medical Management Inc. [GMMI] for their valuable support, which is greatly appreciated. Finally, Madam Chairman, I would like to thank the Health Insurance Department and the Health Insurance Committee for their diligence and commitment. This ends the presentation on Head 91, Health Insurance.

### Closing Remarks

**Hon. Kim N. Wilson:** Madam Chairman, in closing, as you can see, the mandate of the Ministry of Health is wide-ranging and expansive. We are lucky to benefit from the dedication and expertise of a broad range of health and business professionals, whose commitment to public health is unwavering, despite the deep challenges with resources and growing health needs in the community.

I am truly indebted to our staff and to our health partners, who work miracles on a daily basis to plug gaps and catch people who have fallen through the net, to care for their health and social needs. Their herculean efforts have to be recognised and applauded by the whole community because, without them, Bermuda would look very, very different indeed.

We look forward to further reforms of our health system coming soon to address the known deficits and achieve the Ministry’s vision for *healthy people in healthy communities*.

That concludes my budget brief. Thank you, Madam Chairman.

**The Chairman:** Thank you, Minister.

I ask whether any Member would like to speak?

I see that the Member from constituency 23 is on her feet. She is an eager beaver today.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Madam Chairman.

Madam Chairman, I am going to open my remarks, firstly, by saying that the presumption when we come for Budget Debate and the time that is allocated in order to respond to the budget, so that we have the opportunity to delve into the numbers, is done very measuredly. There is also a presumption that we stand here with numbers in front of us that (a) make sense, (b) are accurate, and (c) are consistent. In this particular budget brief and this budget presentation, none of those three elements has been effective, has

been shown. And I think that it is a travesty to the people of Bermuda to be subjected to a brief that does not support the numbers that have been put in the Budget Book for us to stand here to debate.

We have sections of the Ministry in which the differentials have been looked at based on last year's original budget as against this year's original budget. We have sections that have been based on this year's original budget as relates to last year's revised. We mix and match. We cherry-pick. And none of this makes sense. And I think that it is incumbent upon not just the Minister, but the staff supporting her to ensure that we have the consistency which is necessary in order for us to be able to effectively look at the budget numbers and to be able to support them.

You know, I recognise that the Minister has attempted to have a truncated version of the budget. There was a specific reason, Madam Chairman, that we allocated eight hours to this debate. And the eight hours is predicated upon the ability of the Minister to explain carefully, and not rush through as though we are running from a fire truck, but to explain carefully the allocation of a significant amount of money, \$241 million over the entire Ministry, which is a significant portion of the budget expenditure.

Clearly, it was not deemed necessary or essential to this Honourable House to be able to delve into these numbers with a degree of import or a degree of detail that would give the public a correct indication as to how their money is being spent. And that, Madam Chairman, is most unfortunate.

There are situations, and I will go into the individual details as I get to them, department by department. But there are situations when I question whether the numbers were designed to obfuscate. Because I think that, if we cannot rely on the numbers that are in front of us to be able to examine—

**The Chairman:** Excuse me, Madam, Member who is speaking at this time.

**Hon. Patricia J. Gordon-Pamplin:** Yes.

**The Chairman:** We are currently doing the Estimates of Revenue and Expenditure.

**Hon. Patricia J. Gordon-Pamplin:** Yes.

**The Chairman:** And I ask that you stick to considering Standing Orders 19 and 32 when you are speaking at this time. Thank you very much.

**Hon. Patricia J. Gordon-Pamplin:** Absolutely.

Madam Chairman, what I am speaking to is the presentation that the Minister gave, which is an overview of the department's budget. And the comments that I have made are certainly in reference to responding to what the Minister has indicated. So, I do not believe that I am running afoul of the [Standing

Orders] of the House in terms of the numbers. With that said, I will move on.

I am going to go, first of all, to the Ministry of Health. And the Minister indicated in her brief that in covering these areas, there has been significant decrease, based on prior administration, early retirement and fund freezing. There was a shortage of 89 vacant positions, which represented 22 per cent of the workforce. That was in the Minister's brief. What we see in the Ministry of Health—

**The Chairman:** Member, which head are you referring to?

**Hon. Patricia J. Gordon-Pamplin:** I am referring to the Ministry of Health, page B-166, in reference to the Minister's comment in her brief about the deficiencies in the numbers of employees that we have.

What I want to point out is that, on page B-166, with respect to employee numbers, the original 2018/19 budget showed 378. And for 2019/20, it is going up by six, to 384. That is the last line under Employee Numbers on page B-166. With that differential of an additional six, and the Minister's indication that there were 89 vacant positions, the question is—from 2017/18, where 378 was the number of employees, through 2018/19, the same number as the prior year, 384 being the estimate for this coming year, with a differential of six—the question is, If there is such significant fallout, or decrease, or inability for the staffing . . . Because the Minister explained how we have only an increase of six people if there is a reduction of—or if there are 89 vacant positions, why are we, over a two-year period of time, only coming up with an uptick of six of those 89? Notwithstanding that she did indicate that recruitment is difficult, but I certainly believe that six over that course of time does not seem to be an appropriate number.

Secondarily, we have a revised estimate on page 18 and 19 in the same line of employee numbers, in which the revised estimate actually went up from 378 to 385 in the 2018/19 revised estimate column, the last line down on page B-166. And that is now, when we look at the 2019/20 estimate, we are saying that it is 384. So, effectively, we are losing one person based on the revised estimate from 2018/19. And I would be grateful if the Minister could explain that level of variance.

So, the Ministry of Health, according to page B-166, comprises the Ministry of Health Headquarters, which is an amount of \$11,649,000, or an increase of \$161,000. So, the questions that I have relating to the Ministry of Health Headquarters . . . and I will go to page B-168 in the Subjective Analysis of Salaries. We are showing that there was \$3,671,000 in the original 2018/19 budget. And for this 2019/20 budget, that number is going up to \$3,912,000, which is an increase of \$241,000 as compared to the original 2018/19 budget.

However, we note that in salaries, the revised estimates for 2018/19 have gone down from \$3,671,000 to \$2,953,000. And I wonder if the Minister can give us an indication as to what has comprised that differential between the \$3.6 million and the \$2.9 million of revised budgets in relation to 2018/19. And then, the \$241,000 increase in salaries, but I do see that there is an increase of two employees who are intended for the year, and whether that \$241,000 is effectively the salaries relating to those two additional people, as we see under page B-169, for the total number of 47 employees.

The Minister also indicated that there was . . . (Let me just go back to the Ministry of Health.) On the Epidemiology and Surveillance on page B-167, business unit 31040, under programme 2102, we had \$315,000 of an original budget for 2018/19, which has gone down to \$295,000 on a revised basis and now up to \$444,000. So, my question is, Can the Minister give us some indication as to the reasons behind the money in relation to those various fluctuations? We have, as I said, the original budget of 315, which has gone down to 295. And that is a reduction of 20. But now it is going up from 315 to 444, an increase of 129, which is a 41 per cent increase. And I just want to understand the numbers behind that particular uptick.

The Ageing and Disability Services in programme 2103, business unit 31135, Ageing and Disability Services, we have a 0.0 per cent increase. It is sort of static between 2018/19 original and 2019/20 estimate. But we had a revised 2018/19 from \$1,023,000 down to \$705,000, which is over \$300,000 of reduction.

And I wonder if the Minister could also advise us as to what comprised that particular reduction in the amount? Why did we revise it down so far in 2018/19 from the original to the revised estimate?

**The Chairman:** Thank you, Member.

We are now at 12:30.

And I just want be mindful to Members, during the Budget Debate, to please be guided by Standing Orders 19 and 32 as we proceed with this today, and every day.

Minister.

**Hon. Kim N. Wilson:** Yes, Madam Chairman. I move that we rise and return at 2:00 pm.

**The Chairman:** Is there any objection to rising and returning at 2:00 pm?

There is none.

*[Gavel]*

**Proceedings suspended at 12:31 pm**

**Proceedings resumed at 2:02 pm**

*[Ms. Leah K. Scott, Chairman]*

## COMMITTEE OF SUPPLY

### ESTIMATES OF REVENUE AND EXPENDITURE FOR THE YEAR 2019/20

#### MINISTRY OF HEALTH

*[Continuation thereof]*

**The Chairman:** Good afternoon, Members.

We are now resuming in Committee of Supply, and the Honourable Shadow Minister of Health from constituency 23 has the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Madam Chairman.

Madam Chairman, just for confirmation and to know how we are going to proceed, prior to the lunch break the Minister had indicated that she was going to obtain some information for us for which the numbers in the Budget Book are incorrect and I am wondering whether she wants to do that at this juncture or at some later point. We had some variances with respect to the numbers that were in the Budget Book on . . . I am just going to give you the page . . . on page B-187 with respect to Financial Assistance.

I will cover Financial Assistance deeper into my presentation, so I am quite happy if the Honourable Member will get the numbers by then or if the Honourable Member wants to start by giving the corrections, I am easy one way or the other.

**The Chairman:** Minister?

**Hon. Kim N. Wilson:** Thank you, Madam Chairman.

Madam Chairman, at page B-187 the information which is contained in the Budget Book is accurate. The information that . . . so the information before Honourable Members is correct. What I read from my brief was an inaccurate number. The Budget Book itself is correct. In fact, this morning I provided over 100 dollar amounts, over 93 statistics, 33 business units, performance reviews, so the fact that there were two typographical errors is a small error.

Thank you.

**The Chairman:** Thank you, Minister.

**Hon. Patricia J. Gordon-Pamplin:** Thank you.

I will address those particular items because it was not typo, I do not believe, because typo is one or two transpositions, this was not typo, They were just wrong numbers.

But let me go back to the Ministry of Health and that is on page B-167 of the Budget Book. And specifically I want to refer to the programme 2102,

which is Epidemiology and Surveillance, business unit 31040.

**The Chairman:** I am sorry, Honourable Member. What page are you on, please, again?

**Hon. Patricia J. Gordon-Pamplin:** [Page] B-167—

**The Chairman:** Okay.

**Hon. Patricia J. Gordon-Pamplin:** —of the Budget Book.

**The Chairman:** Thank you.

**Hon. Patricia J. Gordon-Pamplin:** And this is under programme 2102 and business unit 31040 in which there is \$444,000 estimated for epidemiology and surveillance. I think the Minister, in her brief, indicated the classification of expenditure that comes under that. But I wonder if the Minister could let us know how many types of outbreaks we have been dealing with in terms of what has comprised the number thus far? And how, if the Minister could also explain, if the revised budget for 2018/19 has gone down from the original of \$315,000 down to \$295,000 and now it is back up to \$444,000; what is likely to be the reason for that variance in the expenditure relating thereto?

Programme 2103 and business unit 31135, which is Ageing and Disability Services, we have this year . . . I am sorry, 2019/20 (when I say this year I mean this year going forward) of \$1,023,000 which is the same as the original from 2018/19. However, the revised from 2018/19 has dropped about \$300,000 from \$1,023[,000] down to \$705[,000] and now it is going back up to \$1,023[,000].

So I just wonder if the Minister could give us some indication as to why that variance and what is likely to account for the reduction in the revision from the original budget that we had from 2018/19, and that is on page B-167.

Similarly, we have on [business unit] 31160, with the K. Margaret Carter Centre a similar kind of phenomenon in which the amount which we had originally budgeted in 2018/19 was \$1.86 million and it is the same for 2019/20, but the revised estimate has dropped down to \$1.39 million.

So I am just wondering what is giving cause to those major variances between the original budget and the revised budget. I realise these are budgeted numbers, but when numbers are this disparate there is usually some explanation, and I just wonder if the Minister could assist us.

**Hon. Kim N. Wilson:** Point of [clarification].

**The Chairman:** Yes, Minister.

## POINT OF CLARIFICATION

**Hon. Kim N. Wilson:** I do not know whether the Honourable Shadow Minister will yield, I do have an explanation for all of the variances with respect to every post. Because this is like the fourth one that has been added and I think, perhaps, if I can provide her with clarity it might be of assistance.

**Hon. Patricia J. Gordon-Pamplin:** Yes.

**Hon. Kim N. Wilson:** As I mentioned previously—and thank you, Madam Chairman—there are currently 89 vacancies across the Ministry, 15 are frozen, unfunded posts. Of the 15, they are not listed in the Budget Book. But the 74 vacant posts that are funded are spread out across many of the heads, mostly within Heads 22 and 21. So all the posts, including the vacant and unfrozen, are always budgeted for in the original budget every year in anticipation of recruitment, and the revised budget reflects what is projected to be actually spent. Therefore, the decreases in the original budget versus the revised budget of 2018/19 went down due to the vacancies. They were unfilled posts at the time and the new year's budget naturally goes up, again, to reflect that [those] same posts [will be filled].

Thank you, for yielding.

**The Chairman:** So the increase is in anticipation of those posts being filled at some point and when they are not filled, then the reduction is a reflection of not having them filled.

**Hon. Patricia J. Gordon-Pamplin:** Yes. Thank you, I accept the explanation and it certainly helps because there are significant variances. However, what does not tie in is the amount of additional staffing. So I think what the Honourable Member is saying is that there are 74 vacant positions that actually are included in the budget numbers and that we are only going to go up by six overall within the Ministry, [correct]? Is that . . . I just want to make sure that I am clear in what the Honourable Member has indicated, but we can investigate that a little bit deeper.

The other thing is that in general, on page B-167, 2101, under 31000, General Administration, the Minister indicated that they were going to be missing some target dates in terms of the legislation and that the target dates, if we look at page B-170 being the performance measures, which effectively ensure that health insurance rates and medical fees are legislated by the 1<sup>st</sup> of April in each fiscal year. I wonder if the Minister can give us some indication whether these rates . . . whether we will be able to see some definitive response in respect of the diagnostic imaging fees, which seem to have caused some variance within the Ministry over the course of the past year.

So if these rates are going to be legislated by April 1 in each fiscal year, the Minister indicated that they are missing some target dates and the actual outcome for 2017/18 they were not done until June. And the revised forecast for 2018/19 is that we will not have . . . we will have the standard premium rate done by the 1<sup>st</sup> of July 2018 and BHB fees by 1<sup>st</sup> of November 2018. Are we now regularising the position so that everything that we anticipate in terms of fees will be done and completed by 1<sup>st</sup> of April 2019, which is the end of this budget process and the beginning of the next? I just wanted to clarify that, since the Minister indicated that we were missing some target dates.

So I would like to move on to the Subjective Analysis on page B-168, again, under the Ministry of Health, and the subjective analysis specifically relating to salaries. And we had an original estimate of \$3,671,000 and a new estimate of \$3,910,000 [*sic*], which is an increase of \$241,000. Now within this—

**The Chairman:** Excuse me, Member. That is \$3,912,000 not \$3,910,000 if I am looking on page—

**Hon. Patricia J. Gordon-Pamplin:** Yes, \$3,912,000.

**The Chairman:** Okay.

**Hon. Patricia J. Gordon-Pamplin:** And it is an increase of \$241,000. So with a \$241,000 increase in salaries . . . and I note on page B-169 there are going to be two additional staff. And I am just wondering . . . I just want confirmation that the \$241,000 additional salary is in relation to those two staff members that are expected to be brought on board.

And then I go to Professional Services under the same Subjective Analysis in which the original budget is \$771,000 and the new for 2019/20 is \$752,000, which is a reduction of \$19,000. However, the revised for 2018/19 has actually gone up to \$1,124,000. This cannot fall in the category of the explanation that we had earlier about positions that are there but not funded. So I am just curious as to why there is such a revision upward of \$400,000 (almost) in the revised 2018/19 budget for Professional Services and then it is going to go back down. Was there one particular professional who had come in to do something that was specific or . . . if the Minister could just give us some explanation.

And similarly, the Rentals, we had a budget of \$466[,000] versus \$471[,000] going forward, but we have a revised estimate from 2018/19 of \$589[,000]. So what comprises that additional cost in rentals that we have seen here in the Budget Book?

Some of the other numbers that we have . . . Materials and Supplies, albeit we have quite a variance between the original estimate and the revised estimate, the numbers in and of themselves, I do not believe, are sufficiently material for me to panic about

them. But it would be useful to just have a brief explanation as to what we are dealing with.

Okay, so on Grants and Contributions, which the amount is \$5,342,000 from [the] 2018/19 original and it basically remains static this time [at] \$5,343[,000]. But the revised 2018/19 went down to \$4,868,000. Now if we refer to page C-17 of the Budget Book in which the grants are delineated and outlined, what we notice in the major variance is effectively in the LCCA in which we have budgeted \$2,862[,000], which we had last year as well as this, but we have a revised estimate for \$1,875[,000]. And I am wondering if the Minister can give us some indication as to the positive impact or failure to pay out . . . or, sorry, lack of necessity to pay out . . . not failure, but lack of necessity to pay out nearly a million dollars through LCCA, because that is effectively saying that they are revising from \$2,862[,000] down to \$1,875[,000] of grant to LCCA. And correct me if I am wrong, but the LCCA payment from government. It is predicated upon the claims that are put through by LCCA to government for expenditure that they put out for clients who are coming to them seeking assistance, where the government believes that it is appropriate to reimburse. I am just wondering where that favourable million dollars has come from in the course of the revision on 2018/19.

In addition, the Grants to External Bodies we had a revised estimate of \$212,000 as against an original of \$100,000 in 2018/19, but we have nothing for 2019/20. And I just wonder if the Minister (again, this is on page C-17) could help us in terms of who had been allocated a grant under cost centre 6869, that will no longer be getting a grant.

Also, in 6912, just as a matter of interest and question, 6912, the Minister indicated the \$753,000 was in respect of Lorraine Rest Home of \$502[,000] and Matilda Smith Williams of \$250[,000]. And I just go back to the question on Matilda Smith Williams in terms of their management and their directorship and whether, in fact, that information has been brought up to date in terms of having proper directors in place as well as having their financials completed because apparently they were deficient before based on public information. That will give us the differences between the various years, year on year. So I am satisfied other than the queries that I have just raised.

Also under 6895 with the Health Council, there is a budget. It was \$700,000 last year; it is \$800,000 this year. I do know that the Minister had indicated in her brief that there was . . . she did mention something about the increase in grant for the Health Council, albeit I am not certain exactly what it was because she did go through it very, very quickly. So I just wanted . . . if the Minister could just underscore, again, the reason for the uptick between \$700,000 in the original estimate for the Health Council for 2018/19 and the uptick to \$800,000.

Also, the question is that in looking forward for the estimate, given that the former CEO of the Health Council is no longer with the Health Council, and we have an acting CEO, is it the intention to replace that position as part of this \$800,000 grant that the Government is giving to the Health Council? Is it the intent to replace an individual and basically bring the staffing levels up to the levels that they were before the former CEO was dismissed?

And also, with respect to the Health Council, according to, actually, today's newspaper there were going to be no further provisions of health services recommended by the Health Council that would be included in the Standard Health Benefits. And the question that I have for clarity is, Are we saying that there will be no new providers allowed? Or are there no new classifications of services? So, in other words, if we have diagnostic imaging . . . if we have MRIs, is it the process that we will not have any new ones for, or is it the providers that we will not have any new ones for? So I just need some clarity on that.

I go back, Madam Chairman (and I apologise for going backwards and forwards, but this is just the way that the questions have come), and I look at the Revenue Summary on page B-168 with respect to the Registration for Doctors, under 8151, where we had a revision in 2018/19 of \$150,000 and we are going back down to \$50,000 which equates to the original estimate from 2018/19. And I am wondering whether we are no longer requiring or . . . I mean, why the difference? Why do we have a \$150,000 revised and we are only having \$50,000 again? Is there some sort of . . . was there a multi-year registration? Was there something that creates the money being static year on year, because the \$150,000 to \$50,000 seems like quite a large decrease?

In addition, on Registration on Nurses, under 8155 for revenue source, we had \$75,000 as against \$50,000 originally budgeted, and revised at \$55,000, which is \$25,000 or \$20,000 of additional money that is being received for registration fees. And I just want to point out from that perspective that I believe that this is extremely positive, because that would mean that if we have got more nurses being registered, then that is helping to alleviate the challenge and the stress that we have in the nursing profession. And so I just want to highlight my concurrence with that and my appreciation for that level of uptick. It does not really require an answer. It is just that I think the acknowledgement that we are getting more nurses registered, I think, is very, very positive.

I would like to go over the page to B-170 under the Ministry of Health, and that is to . . . okay, on the grantees submitting up-to-date financials. This is under business unit 31015, under the Grants Administration. The second item down is the grantees submitting up-to-date financials and annual reports by September in the following fiscal year. And the original forecast was 100 per cent, which one would expect,

because if people would want to get money, then they have to know that they certainly have to comply with the necessary criteria. But the revised forecast was 93 per cent.

We are targeting an outcome of 100 per cent for next year, which is the right number, but [regarding] the 93 per cent, where we have the revised forecast in 2018/19, the questions are: Can the Minister advise who is deficient in filing and what steps have been taken to rectify that deficiency? Are we likely to see [some] reluctance or [some] resistance to providing a grant to somebody if their records and such are not up to date as they would have to apply, or they would have to have that information included with their application? And I just wonder what steps are being done to rectify that deficiency from last year. And then the question would be, also, if last year the money was already paid out and the accounts had not yet been received, why?

The next Grant Administration is the number of Public Health Scholarships awarded and total funds granted. And we are showing that there are going to be 15 awards totalling \$100,000. Could the Minister give us some detail in terms of, not so much necessarily the names of the recipients, but rather the categories and classifications of what is being awarded as grants with respect to health scholarships?

The next performance measure is the increase in number of applicants to the Barbara Ball Public Health Scholarship in priority areas—nursing, occupational, physical and speech/language therapy, and social work—to up that by 5 per cent. Now when I look at the numbers year on year, the actual outcome, we had 17 out of 50 applicants in the actual outcome for 2017/18. In 2018/19 we had an increase from 17 out of 50 (which was the original forecast). And the revised forecast was 23 out of 63 applicants, which was 37 per cent. We are now saying that we want an increase from 23 out of 63 applicants.

What is the target in terms of what is the amount of money that we are going to be paying out and what is the target? To say we are going to increase from 23 out of 63, what if we have 63 applicants? What if we only have 10 applicants? So I am just wondering how the performance measures are actually going to tie into a realistic scenario as to what exactly is happening with the application for scholarships in that area.

I would like to now go down to business unit 31020, under Corporate Services. The first output measure is to implement Bermuda health strategy initiatives to reduce and contain the standard premium rate and per capita health expenditure. Now there had been talk before of looking at utilisation as being a methodology by which one could ensure that we contain standard premium rates because additional utilisation just has extra costs related to it and, therefore, the cost of premium will go up based on the additional claims experience of necessity. So, I am just wonder-

ing how the reduction and containing of standard premium rate and per capita health expenditure is going to be attained. The targeted outcome for 2019/20 is—on the standard premium rate—a reduction of \$370. And I am not certain . . . I probably . . . the 2018/19 per capita health expenditure being less than . . . I am sorry, they want to make it less than \$370 is what I am reading here; but I am not certain based on the way it is worded. I just . . . if I can get some clarity, that is probably the best thing to ask for.

Okay, the next Corporate Services, number of PATI requests closed out of total received, processed within legislated timelines is discontinued. And there seems to have been substituted in its place the number of PATI requests and reviews processed, including requests and internal ICO and judicial reviews. And that is anticipated being 25 after a revised forecast of 20, when there was nothing budgeted in 2018/19, but in reality in 2017/18, there were 28. So, now we have gone from 28 of actual to nothing budgeted. It was shown as a new performance measure, and that now is giving us a revised forecast in 2018/19 of 20 and then a targeted outcome of 25. The Minister indicated in her brief earlier that there was one particular PATI request that effectively utilised some three hundred and something man hours for investigation at a cost of some \$20,000.

**The Chairman:** Wow.

**Hon. Patricia J. Gordon-Pamplin:** I wonder if the Minister could give us some indication generally as to what the subject of that PATI request was that was [requiring] such intense resources in order to be able to respond to it.

I think the Minister indicated in her brief, as well, that it certainly cannot be the intention of a PATI request to make such outrageous demands on staffing resources and everything else to respond to a PATI request. But I think that if we are able to . . . within . . . through the course of the budgetary process, if we are able to advise what sorts of things are really sort of beyond the pale, then it may give the public a better appreciation of what might be an appropriate PATI request. To say just because you can does not mean that you necessarily should. And I think that if we can have that, just a reminder from an educational perspective periodically, to say, you know, this is really kind of ridiculous.

The other thing that I would like to highlight is that in the PATI requests that were published in the course of the past year, we did have an indication that there had historically been indicated that there was a bias towards a particular provider of services and the PATI requests from internally to the Health Council had actually revealed that there was no targeted bias on diagnostic imaging reimbursement. And I think that that is important to mention, that not only can a PATI request support a request for information, it can also

clarify when information that is being sought or data that is being given by the Ministry is not accurate. And in that particular instance, the PATI request was able to reveal that the information that was being published by the Ministry was not accurate.

In business unit 31030, Health Care Registration and Regulation, we are dealing with percentages of complete and accurate health care professional registration files with the internal audit. We are also looking at the percentage of complaints against health care professionals that are resolved by a professional statutory body, and the percentage of international health regulations core capacity components that are obtained. The question that I have for accurate health care registration and complaints against health care professionals being resolved by the statutory body . . . percentages really do not mean anything if you do not have an indication as to the severity of the problem. How many? You can say 85 per cent. You could have had, you know, two actual numbers.

But I think that we need to understand whether these challenges that we have, especially with respect to complaints against health care professionals that are required to be resolved by their statutory body within the year, are pervasive challenges. So it will be good to know: what is the number? How many have these professional bodies had to deal with? And we want to ensure that we do not have rogue service providers and, you know, people who do not adhere to normal international standards and professional standards.

I did notice the percentage of international health regulations core capacity components obtained. Even though I am not a health care professional, I certainly do understand English; but this means absolutely nothing. I wonder if the Minister could just give us some indication as to exactly what that is, the international health regulations core capacity components. That does not mean an awful lot.

I would also like to go on now to Performance Measures on page B-171, included in Ageing and Disability Services. The number of strategic initiatives that have been developed has been discontinued and the question begs as to why. Why have we discontinued strategic initiatives? Because, clearly, Ageing and Disability Services is a segment of our community that would, obviously, require a good strategy to ensure that their needs are being met. And I am just wondering why the strategic initiative development has been discontinued.

I will skip over the next one, the number of presentations, but go down to the number of accessibility assessments conducted. And we have 55 as a targeted outcome, as against 45 in the original forecast. So the question begs on these accessibility assessments: Are we . . . what is the need? Is 55 the right number? Are 55 all that there are in terms of what our population is requiring? Is 55 a guesstimated number? Is 55 an appropriate number? Do we have

only 55 people that need these services? Or do we have 100 and [it is] only 55 [that] we are going to be able to get to, dealing with the requests and the requirements of 55 people? So I am just curious as to how that is working out.

Also, the number of senior abuse investigations. Now, I do know that the Minister gave a Ministerial Statement in the House, perhaps not too long ago with respect to senior abuse investigations. But as we are looking at a targeted outcome of 33 investigations, that is a problem. It is a problem inasmuch as 33 investigations would suggest that 33 of our seniors are being abused in some way, shape or form, either financially (as the Minister indicated in her brief earlier today), sexually, medically, or just neglect. There is a problem. And for us to think that we have got 33 investigations that we are likely to have to conduct is a cause for concern.

The number of cases managed by case management under Ageing and Disability Services, that number has been discontinued. We forecast 220 in 2018/19, but that performance measure has been discontinued. And I am just wondering what has replaced the number of cases that have been managed by case management. What replaces that category in terms of making sure that our clients are well served?

The next performance measure is the number of residential care home complaints received. The question is: Can we get some indication as to what is the time lag in relation to the residential care home complaints that have been received? And effectively what I am saying is, from what source? Where are these complaints coming from? Are they coming from nursing staff at the home? Are they coming from relatives? Are they coming from the clients themselves? I am just curious as to how we can get a handle on ensuring that the aged and disabled people in our community are well served and that they are not being exploited and neglected.

The number of residential care home complaint investigations—the number of investigations. We cannot really target an outcome there because it is really going to be predicated upon how many complaints have actually been received. So let us . . . even though there is a targeted outcome of 30, even though the number that we are going to be . . . the number received, the number investigated is higher than the number received. Presumably there is at least a lag from the prior year as to those investigations that might not have been completed in the prior year that are included in this output number of 30. But certainly it will be good to know what outstanding ones we have at the moment. How can we get that number down to zero (or as close to it as possible)? Because 30 is still entirely too high.

The number of residential care home inspections has been discontinued. And I would be curious and certainly interested in understanding why. It would seem to me that residential care home inspections

must form a basic part of what standards are and how our people who are aged and disabled are being cared for in those various environments. So, to discontinue the inspections certainly gives me cause for alarm. And I wonder what we have put in its place, if anything at all.

I am going to go down now to 31160, the K. Margaret Carter Centre, in respect of the number and percentage of clients able to effectively use communication devices. And we have got a 65 per cent targeted outcome. Communication devices are clearly the ears and eyes of the world as we have progressed, and while many of the people who might be in this circumstance at the K. Margaret Carter Centre may be entrenched in their old training ways or the things that they know, I am just wondering what training services we are putting in place to help people over that hump of trying to understand the value and use of additional technology and the like so that they can actually enhance their quality of life.

And then I look at the number of clients receiving coordinated occupational therapy and physical therapy services, and the number of clients involved in fitness exercise programmes. And we have got a number here of 23 and 28, but there is no indication as to what the population is in that particular area overall. So what is the statistical bent in that regard?

We had, on page B-172, a number of discontinued performance measures that had been indicated, and I guess the question is . . . instead of going down each and every one, if the Minister can perhaps give us some indication . . . because we were looking historically at, let us say as an example, the number of clients participating in production of in-house contract work. We had 93 per cent, and now that has been discontinued.

So are we saying that we are not . . . because some of these types of services, such as stuffing envelopes and licking stamps and putting things . . . you know, that gave people a pride in their ability to conduct a particular service, to feel useful, to feel valued and to know that they had an output that was exciting to them, that they could measure and that they knew they were doing well. So if we have discontinued that in-house contract work, the question begs, Why? And what are we doing as an alternative to assist in stimulating people who otherwise may be challenged and who might have been looking forward to these types of programmes as being something that helped to get them into the mainstream of community life?

So that is just an example and, as I said, there is perhaps no necessity to go into each and every one of them, but I would certainly be interested in the number of clients that are participating in training and employment and the percentage demonstrating satisfactory or better skills.

You will know, Madam Chairman, that we have seen [some] instances, at times, in the supermarkets, where some people with special needs are

there packing groceries and making a really good . . . you know, doing a good job of it and learning how. You know when you see them progress from putting eggs on the bottom to understanding that they have to put eggs on the top, these are things that you can see their growth and development. So why are we discontinuing the number of clients participating in training and employment? And I am just concerned as to what we are replacing it with.

So I think that the questions of all of those discontinued programmes will remain as we go down through the list to make sure that if we are discontinuing a programme, what are we putting in its place?

So we are looking also at therapeutic riding skills and life skills programmes at WindReach. This is a new measure, and I am excited to see that there is something that has been budgeted to ensure that these programmes are reaching the intended population and making sure that we can follow their programmes as time goes on. So that is really quite exciting to me.

The number of community initiatives and stakeholder relationships developed or maintained. This is a new development. And there are 10 of them that are projected. We did not hear any real detail as to what these community projects are, so it would be useful, not so much just from a budgetary and expenditure perspective, but from a growth perspective for the development of people who have special needs within our community. And I think sometimes when people hear of it and they know, *I have got a neighbour, or I have a cousin, or I have a son, or I have somebody who could benefit from these services*, the more that we put that message out, the more they are able to participate and get themselves involved in those types of programmes. So I would try to encourage that we have the educational aspect to publicise where we are with these types of things.

And, again, some of the performance measures, as indicated under K. Margaret Carter Centre, recognising the special population that is involved in this, we want to make sure that, you know, we want to encourage and we want to show that we are quite pleased and happy with the new performance measures. And just to say that we are happy and interested in following those measures up.

I am now going to go to page B-173, which is the Department of Health. I would like to look at . . . I think what the Minister indicated before is that a significant portion of the difference that we had between the original estimate and the revised estimate can be accounted for by the unfilled positions. So, given that, and I have not tested that against the subjective analysis, but I can certainly accept that explanation for the purposes of this.

But I just wanted question programme 2201, business unit 32000, Lefroy Care Community. The Minister indicated that there was intent to move the Lefroy House, which is no longer fit for purpose, to a

place down closer to Rockaway. And we have \$4.86 million that has been allocated to the Lefroy Care Community in expenditure. So what I did not . . . well, I do not believe that I saw, and certainly the Minister did not allude to it, any budget for capital development that would enable that transition from Lefroy House property, where it now is, down where it is intended to go. So, it is wonderful to say, *yes, we are going to move it from here because it is no longer fit for purpose*, but what are we doing in terms of budgeting for the capital expenditure to make that transition as opposed to just having it articulated in lip service?

We need to see money that is appended to the project in order to see it come to fruition. And certainly, from my perspective as a former Minister of Health, I certainly encourage that particular project. We were looking before at how you can rehab the building itself and, you know, renovate the building. And sometimes when you reach something, if something needs a wrecking ball, it just needs a wrecking ball. And, you know, I am a wrecking ball kind of girl, Madam Chairman.

Community Health Administration, again, it is a little difficult because the Minister did not take the time to show that the differences between the original and the revised were all due to personnel challenges. I am going to take that as a given.

But the Sylvia Richardson Care Facility, I have some questions relating to it, if you will just give me a second. I will tell you what I will do, I will go to that, I think, in my performance output . . . I will come back with a question on the Sylvia Richardson Facility.

The Child Health 32030, we have an increase of \$647,000 over last year's original budget of \$1.876 [million] to this year's \$2.523 [million] and the Minister indicated that it was a transfer of costs. But I do not think that I got a clear indication as to what those cost transfers comprised. So, if the Minister could give us some idea as to the details surrounding that \$647,000.

Okay, my next question that I have is on Community Health 32060, in which we notice a significant decrease of \$560,000 from \$2.184 million down to \$1.624 million—these are original budgets and new estimates—a decrease of \$560,000. And I do not think that my shorthand was sufficiently quick enough to understand what the Minister said, if indeed she did, in respect of what caused that Community Health budget to be decreased to that extent. If the Minister could just reiterate or articulate that, I would be happy.

If I go down to Oral Health, I think that the—

**The Chairman:** What page are you on?

**Hon. Patricia J. Gordon-Pamplin:** I am sorry, [page] B-174, programme 2202, and cost centres 32150, 32155, and 32160.

Actually, you know, Madam Chairman, the differential there is only \$4,000. And in the overall

scheme of things it is not necessarily material, but I had highlighted that the revised 2018/19 was down to 135 as against . . . and we were back up to an estimate of 233. And I believe that that is one area which would account for reduction in staff, in filled positions, that was actually short of what had previously been budgeted. So, unless there is any difference there, then I will accept that explanation.

[Cost centre] 32190, which is Vector Control, we had an original budget of \$1.604 [million] and we have a new budget coming up of \$1.637 [million]. Now the one thing we have noticed over the course of the past summer, and leading, certainly, into this period of time, is the massive numbers of complaints that we have had with respect to the rats that we have on the road. Now we have had a reduced trash collection, but we also have the responsibility of the population to ensure that their garbage is put out at the appropriate time and that there is, . . . you know, that we can help to minimise the negative impact of the rat infestation.

But I think, with that said, we also have to look at the methodology by which that reduction in garbage collection was attained. And I think that while that may be a matter to be determined and discussed under Public Works, because of the actual responsibility for garbage collection comes with it, certainly the Ministry of Health has the output and the negative fall-out as a result of additional rats.

I heard somebody say to me that they ran across a rat and it was about the size of a cat. And I have seen some really horrendous-sized animals running across the streets. So I think that we must be mindful of what it is that is required. So the additional money, the \$33,000 extra that we have for Vector Control, and given that we have got once-a-week trash collection—which has now been engrained as the status quo as opposed to the twice per week, when we get to the summertime—we are going to have significant problems and we are going to need every bit of that \$33,000 extra to be able to keep the rat population under control.

Port Health, which was new, I think the Minister indicated that this was with respect to environmental health issues relating to cruise ships and the like, so that was certainly understood.

Also, there were not significant differences, under Environmental Health, there were no budgetary differences of significance between any of the existing [cost centres] of 32170, 32171, 32172, 32173, 32175, 32180 and 32270—all of which the Minister just put in one sort of category and said that these are the numbers in total.

However, with that said, it would be good to hear what comprises the expenditure, notwithstanding that there is no difference from the year before, what comprises the expenditure for Institutional Hygiene, Public Health Nuisances [Pollution], Food and Beverage Safety—well, Food and Beverage Safety, I believe is self-explanatory—but Water and Sanitary En-

gineering Controls, [and] Environmental Health Administration. While the numbers have not changed year-on-year, I think that . . . I do not think that it is fair to expect the public to remember, *Well, last year you told us that this is the number, and this year you are asking us to support the same amount of expenditure, so we do not have to tell you again what is included.* It would be good to take the time to explain to people what is included in those cost centres for which we are expecting the public to pay an additional \$1.5 million. So, it would be just useful to have that information, if we could.

And I want to go down to the next programme 2204, which is Central Laboratory and the business units under that of Forensic Analysis, Urine and Drug Testing, and Water and Food Analysis.

Under Forensics, 32200, we have \$673,000 in Forensic Analysis, which has gone down \$20,000 from the previous estimate of 2018/19. But the question that I have here is a very simple one. In the Minister's brief she indicated that this forensic analysis is revealing things such as gummy candies, lollipops, TCP-laced chocolates and food stuffs and that people are presenting with levels of psychosis based on the ingestion of some of these articles that are being tested and found to have TCP and the like (I think it is TCP, I am probably saying it wrong)—

**The Chairman:** CBD?

**Hon. Patricia J. Gordon-Pamplin:** I do not know, whatever . . . THC . . . THC, sorry . . . TCP is an anti-septic that we used to use with a horrible smell for gargling when you had a sore throat as a child, so it is THC.

So we have got, with this determination that the outcome of the forensic analyses that are being conducted are showing that we have got people that are presenting with psychosis and other ailments as a result of ingesting these substances, are we likely to look at . . . and this is in the context of this budget and what the forensic analysis is requiring. Are we likely to look at the adequacy or the propriety of that 7 grams of marijuana that we had for personal consumption? It is just a question. I do not know the answer. But it would certainly be interesting, if our people are suffering and the Government believes that an intervention with respect to sugar tax is appropriate, then certainly I would question the levels of, you know, marijuana and marijuana-laced products that is appropriate for our people.

So I want to go to the Subjective Analysis on the Department of Health and there is no change in the staff numbers, but the salaries have increased from \$19,640,000 to \$20,292,652, which is 3 per cent. Now, given that there is no staffing increase, we had 285 last year . . . no, sorry, we had 280 . . . yes, it has got a bit confusing, Madam Chairman, because if we looked at the original budget to the 2019/20 estimates

(which is what we are meant to be doing), we had 280 in original 2018/19 and 285 in total. And this is on page B-176. We have 285, but in the difference column we have zero. Now the zero would only obtain if we are comparing the revised estimates to the new year's estimates going forward.

So this is what I said at the outset, that some of our ministries in some of our areas, we are picking bits and pieces. In some you have got the original 2018/19 to the 2019/20 estimate and in others you are comparing it to the revised. It has got to be one or the other, it cannot be both.

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** Well, if we have the original . . . if we look at page B-176, and the total staffing, employee numbers, full-time equivalents, the original for 2018/19 is 280. We are now showing a 2019/20 estimate of 285, which is a difference of 5, but in the difference column it says zero. So that is where my question is. The zero is the entire way down the line and, therefore, that would say to me that there is no difference. But why not? I could probably—

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** Yes, and it actually is in Community Health, 3060, where the original was 25 and we have now got 19, so that is 6, and then there is one which is probably a wayward one somewhere in between.

But this is the reason why it is important to check the numbers, because if we are trying to explain the fact that there is \$652,000 in additional salaries and I turn over and I look and see that there is no additional staff, then it does not make sense. So, if the numbers were correct, then presumably the \$652,000, or the increase of 3 per cent, would be explained by an additional five staff that are intending to come into business unit 32060, where we had . . . no, sorry, that would be a reduction. So I do not know, we have to . . . we need an explanation because the original is 25 in 32060, I now have 19 in 2019/20. I do not know where that difference is. I do not know where that difference is.

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** On 32060, if we have a reduction in staff . . . something is not right here. Something is not right . . . okay.

**The Chairman:** Yes, Member, 32060.

**Hon. Patricia J. Gordon-Pamplin:** [In] 32060 we had a difference. We had 25 original and now 19. But that is a reduction of 6. So a reduction of 6 would not account for an increase of \$652,000 in the salaries cost

analyses. So maybe we can just have a look at that and understand what it is.

Other Personnel Costs, just what is the makeup of those other personnel costs that we have?

Professional Services, and this is back to page B-175. Why is there a reduction in professional services from \$1,743[,000] to \$986[,000]? And is that indicative of a particular consultant, a particular individual, a particular programme, a particular something that we had that we budgeted for in 2018/19 that we no longer require in 2019/20? If the Minister could let us know what that is because that was not covered, I do not believe, in her brief and that would be useful because that is a significant savings of \$757,000.

Materials and Supplies, has gone down. So that is okay. I like it when stuff goes down, Madam Chairman, because that means we are saving something and somebody is looking for some efficiencies somewhere, so I have no problem with that. But I just note that salaries and wages have actually gone up whereas the personnel numbers, as I mentioned before, on page B-176, albeit they say zero, it looks like it has increased by five, and I just need to have an explanation because the numbers are wrong.

Let me look at the revenue sources, patient fees. Well, with revenue sources the Minister basically said that there is \$3,610,000 coming in for revenue. We got no detail in respect of any of the line items. So if the Minister could be good enough to explain to us where these fees are, such as, I mean, we talk about patient fees . . . where and what and how and based on what categories? Because right now we are as much in the dark as the public.

General Licences—for what?

Medication—what kind?

Dental Fees for Children, that is pretty self-explanatory.

Tobacco Distributor Fees, perhaps, self-explanatory.

Registration of Day Care; \$15,000.

And \$75,000 for Testing Fees.

These are revenues that are coming in, but we did not get any detail. So we are only left here to hazard a guess.

So I would like to go now to the performance measures in the Department of Health on page B-177, and that is the Lefroy Care Community. The number of falls sustained by elders, we had an original forecast in 2018/19 of 15, and we have a targeted outcome of 15 falls.

Madam Chairman, I do not know about you, but if my mom is in a nursing home I do not want her to fall. So what are we looking at in order to be able to effectively ensure the safety of our seniors so that we are not budgeting for 15 people to fall and be injured? That is just unacceptable. And I think whether it is a question of training of the staff, then we need some more money in the training budget. If it is a question of equipment that is required for harnesses and the like,

we need to see it in the capital acquisition budget. But we do not see that. And I am concerned that 15 people are being budgeted—seniors—elders are being budgeted to fall and hurt themselves in a nursing care environment in the Lefroy Care Community. Unacceptable!

Because the one good thing . . . and I think it is important to highlight positive as well, is if there is a challenge, the percentage of elders receiving a full medical review annually is budgeted at 100 per cent. And we had an actual outcome of 100 per cent in 2017/18, a budget of 100 per cent with a revised forecast of 100 per cent and a new targeted outcome of 100 per cent. That is going in the right direction! That is absolutely 100 per cent correct for it to be 100 per cent. We want our seniors to be well taken care of. We do not want to be budgeting for 15 of them to fall and be injured. That is not acceptable.

Okay, I am going to Community Health Administration and the percentage return rate of performance appraisals and forward job plans to the Department of Human Resources by the specified due date, 95 per cent. I would imagine that HR would be interested in whether we are not able to achieve 100 per cent. We are budgeting for mediocrity. We are saying, *Oh, 95 per cent, 90 per cent, 80 per cent, whatever, it's good enough.* But it is not.

If we have a job to do, a requirement of our job [is to provide] excellence (and this is on page B-177), if it is a requirement of our job to provide excellence, then excellence is what we must have. So to budget for less than 100 per cent and to say we did not quite get there, is not good enough. What remedial measures are being put in place to ensure that the job that people are being paid to do is being done?

Percentage of new cases that achieve closure. That is kind of very subjective, so I am not going to criticise that particular performance measure that has been discontinued, but obviously, there is a problem.

And if we had a challenge at Lefroy House, Madam Chairman, I now look at business unit 32015 at Sylvia Richardson Care Facility. Now Sylvia Richardson . . . we know this has been the crème de la crème of seniors' residences. It was put in place, it was well done, it was well-financed, it was well-structured, and it had to all intents and purposes what is required for an excellent senior care facility. But we are budgeting for 20 falls sustained by elders.

**The Chairman:** Mm-hmm, 30 actual.

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** That is not acceptable. That is not acceptable. Twenty is not acceptable. And I do not care . . . the Honourable Member says we budgeted for 24.

**An Hon. Member:** That's right.

**Hon. Patricia J. Gordon-Pamplin:** If we budgeted for two, that was two too many!

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** And I am saying, Madam Chairman, that as time goes on we should look at where we are faulty—

*[Inaudible interjections]*

**The Chairman:** Members, Members.

**Hon. Patricia J. Gordon-Pamplin:**—where we have been faulty, where we have been deficient, and how we can do something about it. Because one fall by an elder resulting in an injury in a government-operated care facility—never mind the private ones, but a government-operated care facility—means that we are missing the mark and we need to do something better. Because the actual outcome in 2017/18, as you might see, was 30! So we have at least budgeted a little bit better to say that we are expecting a slightly better outcome, but it is still not good enough. Twenty are far too many.

And then, number of incidents that are not fall related or errors relating in harm or injury to an elder, we are looking at 10 at Sylvia Richardson. But we had zero at Lefroy House. So Lefroy House is clearly doing something right and we need something that needs to be enhanced in the care quality at Sylvia Richardson when we have already believed Sylvia Richardson to be the crème de la crème of government facilities.

Number of elders with pressure sores. Madam Chairman, pressure sores are inexcusable. It is a poor medical outcome for seniors to have bed sores.

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** A poor outcome. We have seen it happen in the hospital setting. And this is not a criticism of the existing Government; it is a criticism of the system that we are using to make sure that we care for our seniors. Seniors ought not to have bed sores. Bed sores are painful. I have seen them, Madam Chairman. I have seen people care for them. I have seen the discomfort etched in the faces of seniors who are being turned and were suffering. This is not something that we, in our sophistication as a jurisdiction, should be able to accept. It is not acceptable, and it is certainly not acceptable to me.

I know, Madam Chairman, with my mother, and I can say this on an anecdotal basis. My mom lived in a nursing home. My mother did not have bed sores. I saw to it that she had the necessary care. And I can tell you that any person who puts their senior in

a home and finds out ultimately that they develop bed sores, there is something wrong. And we need not to accept it as a people.

And I am happy to see in Sylvia Richardson that there are 100 per cent of our seniors who have received the annual medical review.

On the performance measures for Child Health on 32030, under Child Health, the percentage of five-year-old students assessed for health parameters and developmental milestones . . . the actual outcome for 2017/18 was 32 per cent. The forecast for 2018/19 is 70 per cent and the targeted outcome for 2019/20 has gone down to 60 per cent.

Now this is where I am going to criticise here, Madam Chairman, because this is a Government that says that they care about people and you are only budgeting 60 per cent to see to it that our five-year-old students are assessed for health parameters. What is going wrong?

What is going wrong? That is not what I deem to be a level of care that is required for our young people. So we are failing our seniors and we are failing our young people.

The percentage of children over age five who are overweight or obese in our public and private school system . . . it is a 25 per cent budget. And I think that the Ministry's approach towards sugar tax as well as their exercise regimes that were articulated by the Minister this morning are certainly moves in the right direction to help to ameliorate any challenges that we have, because, obviously, this can only lead to further health challenges and problems as a child grows older. So we want to make sure that they are arrested as quickly as possible.

And I think that the percentage of new mothers visited by the Health Visitor within 14 days of delivery, 95 per cent . . . while it is not everybody, I believe that that is a reasonable output. It is a reasonable output because new mothers are either not where they might otherwise have been, may have moved to a different address, may even have left the Island. So we cannot expect 100 per cent in this particular instance, but certainly we can strive to have as much as possible.

The six-week test . . . 75 per cent, mm-hmm, yes, I do not know. All I say is thank goodness that as a new mom . . . from my perspective, I had all the necessary health care that was needed and the follow-up attention.

But everybody does not have that. And I think that if we are going to provide the services of government, we have to strive towards at least a 90 [per cent] or 95 per cent success rate if we want to see that there is an impact to what we doing.

Let me go to page B-176 [*sic*] and the question on performance output on the number of clients receiving emergency contraception for pregnancy prevention.

**The Chairman:** On [page] B-176?

**Hon. Patricia J. Gordon-Pamplin:** I am sorry, [page] B-178, I am sorry. My eyes are getting old. [Page] B-178 at the top of the page, the number of clients receiving emergency contraceptives, this is emergency contraceptive for pregnancy prevention. There seems to be a challenge here with respect to education.

**The Chairman:** So is that the . . . what is that? The morning-after pill?

**Hon. Patricia J. Gordon-Pamplin:** I am thinking that is what it is because this is *emergency* contraception. This is not standardised, you know, targeted . . . ordinary birth control.

[*Inaudible interjection*]

**Hon. Patricia J. Gordon-Pamplin:** No, this is not ordinary birth control.

[*Inaudible interjection*]

**Hon. Patricia J. Gordon-Pamplin:** Because I do not need this, so it is kind of a foreign subject to me right now. But I think that we . . . it would not hurt to step up our educational process in this respect. We have got 200 morning-after pills that are targeted. You now, if we have a proper regimen of prevention through the educational process, then we might find ourselves not requiring that many.

Percentage of women with abnormal pap needing referral to a gynaecologist, now this is saying 4 per cent is the targeted outcome. I am hoping that this is 4 per cent of those people who are presenting for the test who might find that they need to be referred, but I would hope that the target is 100 per cent of those who require the referral if they have an abnormal result. I would hope 100 per cent of them would be referred to a gynaecologist as opposed to 4 per cent. So I think it might be just the way that the outcome is worded, because I am absolutely certain—

**The Chairman:** So out of 100 per cent, 4 per cent need it.

**Hon. Patricia J. Gordon-Pamplin:** Yes, exactly. So 4 per cent of the people who are presenting for a pap test may find that it is abnormal, but of those 4 per cent, 100 per cent should be referred to a gynaecologist.

Okay, what number of family planning visits are undertaken? And the number of family planning visits . . . there has been a 33 per cent reduction between the actual of 2017/18 . . . I am sorry, the original forecast of 3,000 down to a revised forecast or targeted outcome of 2,500. So we have got about a third, 20 per cent, of reduction. So I am just wondering if the Minister can explain what is the criterion that is

implemented to determine what an appropriate candidate is for family planning visits? If we are planning on 2,500 of them, what are the criteria? How are we going to manage that? And what staffing do we have to ensure that that is being done, if that is an accurate output measure?

Percentage of antenatal clients having three or more antenatal visits. It is pretty much 100 per cent and I think that is as good as it can get.

Clients being screened for STIs. I think it is important that just as a matter of education and knowledge that our population is aware of the necessity for screening and the necessity to follow-up whatever treatments are recommended as a result.

Percentage of persons with HIV infections receiving highly active antiretroviral therapy (HAART). We are showing that 98 per cent are receiving, but if we could have a number because that will give us an indication as to how pervasive this challenge is in our community. What is the number as opposed to the percentage? It could be that we have got 10 and, you know, and 9.8 of the 10 are receiving, but it could be that we have got 200 and 98 per cent of that number, so it is important to know the number.

Under Communicable Disease, 32050, the number of health promotion activities held, it is a measure that has been discontinued. And if we want to continue to ensure that our people are educated in the challenges of communicable disease, we cannot discontinue the health promotion activities. That just does not make logical sense and I think we need to reconsider that particular situation.

The number of social workers (this is under business unit 32060, Community Health), the number of social worker referrals for persons 65 years and older is a 75 per cent targeted outcome. The question is, with the other 25 per cent, is there no need? Are those other 25 per cent self-sustaining? Do they have support systems and services that are available to them that does not require for the department to be able to make referrals of a social worker?

It is just . . . that is just to know as opposed to . . . it is not a criticism, it is just for people to be aware. And I did ask how many.

Under Community Health, the percentage of clients visited within 48 hours of referral for nursing care, including disabled, seniors, chronic non-communicable disease . . . how many? We have got 95 per cent, but what is the number? How many people are we targeting?

And I am going to just move on because some of my colleagues will probably deal with the speech and language, nutrition and occupational therapy aspects of the performance indicators for the Department of Health.

And actually I may come back to some of them later on, but for the moment I am going to move on to Hospitals.

Madam Chairman—

**The Chairman:** What page are you on?

**Hon. Patricia J. Gordon-Pamplin:** I am now moving on to page B-184, with respect to Hospitals.

Now, the Government provides KEMH an MWI with a grant in order to cover the costs that they incur with respect to the services that they provide—sorry, this is long.

So let me look at KEMH, in which the total grant in contributions between the two actually totals \$145.6 million. Under [cost centre] 34000 for KEMH, \$108,330,000 being the grant, the subsidy, that is relating to the indigent, the aged, the youth, the geriatric for inpatients, as well as the indigent, aged and youth for outpatients, and there is some subsidy given for the clinics. So the total of those are \$108,330,000.

But I just want to explore for a moment, Madam Chairman, these allocations. In 2018/19, we had an original subsidy of \$4.5 million for the indigent, the revised estimate was the same . . . I am sorry, the estimate for 2019/20 is exactly the same. This is on page B-185.

**The Chairman:** Okay, thank you.

**Hon. Patricia J. Gordon-Pamplin:** For the aged we have \$43.3 million of original, \$43.3 [million] revised, and \$43.3 [million] for 2019/20. Similarly, for youth we have \$7.696 million original, the same number for revised, and the same number for 2019/20. This gives us a total inpatient subsidy of \$55,506,402 in all three categories, the original estimate, the revised estimate and the new estimate for 2019/20.

Before I make my comment on this, I am going to go down to the indigent for the outpatient subsidy, \$2.9 million original estimate, revised up to \$3.3 million, and taken back down to \$2.9 million. The aged have an original of \$39.147 [million], it went up on a revised basis to \$48.402 [million], and back down to \$39.147 million. And the youth went from \$8.127 [million] original, a revised \$8.227 [million], and in 2019/20 it has gone back down to \$8.127 [million]. So that gives us on an outpatient subsidy basis a total of \$50.242 million that was the original estimate for 2018/19; which has been revised up to \$59.942 million; and it has gone back down in 2019/20 to \$50,242,514.

The very obvious question begs in this: Why are these numbers fluctuating to this extent? If your revisions are showing, certainly on an outpatient subsidy basis, if your numbers are showing that you were required . . . that you were \$10 million . . . \$9.2 million short in your aged subsidy when we have a growing seniors' population with more people requiring services, where is the logic or the sensibility in taking the 2019/20 subsidy back down to a level that was below the revised estimate for 2018/19? It does not make logical sense; it does not make accounting sense.

The only sense that it could make is if that by having that extra \$10 million that is not put in the budget for this year, it kind of helps to create the \$7.3 million surplus that we are showing on an overall basis. Because what will happen is that we had a \$108 million of 2018/19, and if we have a revision of \$118 million, it means that we now are going to be required to put a supplementary in for that extra money.

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** That is provided that the revised estimate has been carefully thought-through and carefully generated. So if we now are saying that we are only going to go back down to \$108 million in the 2019/20 estimate, then the question begs, Is somebody not going to get services? Are you not going to allow somebody to go to the hospital? Or is—

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** Does the Honourable Member wish to have an intervention.

**The Chairman:** Members, Members, Members.

*[Gavel]*

*[Crosstalk]*

**Hon. Patricia J. Gordon-Pamplin:** Madam, shall I sit while people are . . . ?

**The Chairman:** No talking across the floor.  
Speak to the Chair.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Madam Chairman.

So Madam Chairman, there are two things that are very stark to me in these estimates versus what we are expecting for next year. Either on an indigent, aged and youth basis for inpatient we are expecting exactly the same number of patients with exactly the same conditions, with exactly the same costs in 2019/20 as we had originally in 2018/19 with no variation in terms of any uptick for inflation, any change in patient demand and numbers of patients that are coming in—either that is the case or there is somebody who is not going to receive services, but it cannot be both.

So we have to determine when we are budgeting, are we budgeting adequately for the services that we have to provide? And to have these numbers static for original of last year and this coming year does not make sense.

And then in the instance of the differential in the outpatient subsidy, the significant portion of it is \$9.2 million relating to aged, that is going now back

down . . . they are saying that we do not need that \$9.2 million that we have revised in our estimates for 2018/19, so we are going to go back. So, either we are going to have aged who have deceased and that will no longer require the services or there is not going to be any inflationary impact on those patient services or, what is more obvious to me, the budget number is wrong. And I think that we need to have some realistic budgets in this instance.

The Minister gave us an overview in a brief with respect to the resources and the positions of the hospital because, obviously, giving a grant and a contribution to the hospital is predicated upon the services that are required. But the hospital in and of itself also has fees that it is able to obtain from its various sources. And through those fees that the hospital is able to obtain, they are able to offset some of the costs that they have ultimately so that there is no necessity to rely on Government 100 per cent of the time for 100 per cent of the money.

But I just question that in that equation, if the Minister could let us know, how much did the Hospitals Board actually receive finally, the final count for their diagnostic imaging differential that was recommended through the Health Council? And, have they considered that at the same time that the diagnostic imaging was reduced under the BHeC regime that the operating fees were adjusted to balance the BHB revenues?

So I am just curious as to . . . and those numbers were not specified here, but they were included in the Minister's brief. So I just wanted to find out whether there had been any consideration when the Minister indicated what the hospital's financial position was, if the Minister . . . if the hospital had advised the Minister to take that amount into consideration in looking at the review of fair financial status at the hospital.

The grant to MWI, again, it is static. It has not changed by any amounts of money from one year to the next on the 2018/19 to 2019/20. And, again, I have to stress that I am very concerned about this additional \$10 million differential between the revised estimate and the original estimate for 2018/19.

Okay, so now I am going to move on to Financial Assistance.

**The Chairman:** What page are you on?

**Hon. Patricia J. Gordon-Pamplin:** And that is on page B-186, and that is where I come a little bit unstuck because as the Junior Minister indicated, and it has been seen throughout the department's budget, the differences that have emanated from the . . . in the Budget Book the differences between 2018/19 and 2019/20 (and this is as shown on page B-187). Throughout the Budget Book we have looked at the estimates for 2019/20 and the original estimates of 2019/20/21.

*[Hon. Derrick V. Burgess, Sr., Chairman]*

**Hon. Patricia J. Gordon-Pamplin:** We now have in this—Financial Assistance. We have looked at the difference between the revised estimate of 2019/20 . . . I am sorry, the revised estimates for 2018/19 and the estimates for 2019/20. So I am a little bit confused as to why we have a difference here which has changed on just this particular head, Head 55. So if the Minister could give us some indication as to why we have this difference (this is on page B-187, Mr. Chairman).

**The Chairman:** Mm-hmm.

**Hon. Patricia J. Gordon-Pamplin:** And that is . . . if you look under the Financial Assistance, 5501, at the top—

**The Chairman:** Yes.

**Hon. Patricia J. Gordon-Pamplin:** —we have the 2019/20 estimate is \$51.484 [million] and it is \$51.684 [million], which is the original estimate.

**The Chairman:** Mm-hmm.

**Hon. Patricia J. Gordon-Pamplin:** But if you look at the Grants and Administration, we had \$48.512 [million], which was the original for 2018/19 and for 2019/20, we have \$48.312 [million]. So that is a \$200,000 decrease.

And by the same token, if you look at the original for General Admin, 65080, for 2018/19 it was \$3.172 [million] and the 2019/20 is \$3.172 [million] so that should give zero of differential.

**The Chairman:** Yes.

**Hon. Patricia J. Gordon-Pamplin:** So the Minister indicated earlier that the total that she was showing . . . my book is showing \$43.12 [million]. The Minister's brief said \$49.512 [million]. The Minister indicated after lunch that her brief was incorrect, which I accept. But the book clearly also is incorrect and inconsistent with what we have seen in the other ministries.

So I just wondered whether we can get an errata that corrects this page because (a) it is inconsistent, and (b) it does not . . . you know, it just does not give lie to being able to delve into the numbers and appreciate the fact that they are correct. So if we could just maybe have that.

**The Chairman:** Well, Member—

**Hon. Patricia J. Gordon-Pamplin:** This is just on this page.

**The Chairman:** No, I understand. Just for the listening public, it is . . . what is in the [Budget] Book, the original and the estimate . . . in fact, what should have happened, it should have gone from the . . . that is where the difference should have been between the original estimate, not the revised.

**Hon. Patricia J. Gordon-Pamplin:** Right, exactly, exactly.

**The Chairman:** Yes, yes.

**Hon. Patricia J. Gordon-Pamplin:** So what has happened, Mr. Chairman, is that what we have got here. The difference is between the revised and the new estimates, and not the original and the new estimates.

**The Chairman:** Yes, that is it.

**Hon. Patricia J. Gordon-Pamplin:** That is the reason I was querying because that is the only place within the Ministry that there is a difference. So, you can understand that there is some confusion.

**The Chairman:** No, it is incorrect.

**Hon. Patricia J. Gordon-Pamplin:** Yes, it is incorrect. Okay.

So, with respect to Financial Assistance, and I know we have had some updates in the House fairly recently, but I think that it would be useful if the Minister had come . . . because this is a budget debate as to what we are anticipating for the next 12 months as opposed to what the Minister might have told us happened from before. It will be useful to have gotten some kind of breakdown with respect to financial assistance, such as the number of clients who are on financial assistance, how many people of that financial assistance budget are actually receiving child subsidies.

I know the Minister said that she had given a Statement in the House a couple of weeks back, and that Statement a couple of weeks back should suffice and, therefore, we should not be asking the questions. But the topic for debate for us today is the budget that is in front of us. And why I think it is important to be pedantic about this particular thing is because that is what people want to know. It is *their* money that we have to explain to them how we are going to spend it. And in the context of whatever Ministerial Statement might have been given, we do not have this degree of specificity or detail, and it is important that we know that.

And I would like for the Minister to give us some breakdown as to where this \$48,312,000 is intended to be spent. We do have . . . of that number, we would have able-bodied unemployed, we have seniors, and we have disabled. So we know that the seniors form a significant portion of the money that is

allocated on financial assistance. We want to make sure our seniors are fine. So we are not denying them, but we want to scrutinise it because we are asking the public to pay for it. So that is important for us to be able to say to the public that this is where your money is going, not based on what a Minister told us a couple of weeks ago.

I would also like to ask the question, because a couple of weeks ago what the Minister did say (and I think it is relevant to bring it into this), is that ultimately the system will change such that seniors who are receiving financial assistance now, that the government will be able to recoup that financial assistance, post-death, to put it back into the coffers so that the government is not subsidising the inheritance of the beneficiaries of the estate of the senior.

I hope I made that clear.

So what was said was that if you are a senior and you are getting money today . . . this is what the Minister had indicated. If you are a senior and you are getting money today from financial assistance, and you have an asset, when you die your asset that you have, your estate will be required to claw back some of that money that you had gotten while you were alive. So that will dissuade the practice whereby people who have a mommy or a granny who has assets, [are] saving the granny's assets to protect their inheritance, and using the government's money to take care of mama and daddy, which, clearly, that was not the intent, I am sure.

So the question that I have with respect to these grants administrations is, Is there a possibility of the Government looking at how financial assistance is meted out in life so that government is not seen to be a grave robber after death? Because I think that if we look at how we give the money out . . . if you know that your granny has got a house that is worth whatever it is worth, but you are not going to take money up on your granny's house (that granny worked for to look after herself in her old age), and now you are going to say, *Oh, no, no, no, that's my inheritance, so I'll go to Financial Assistance [and] I'll see how I can qualify*, and now the government is finding itself in a situation of having to put an inordinate amount of its budgetary allocations into financial assistance, knowing that part of this is protecting somebody's inheritance at the taxpayers' expense . . . that is not the intent and that cannot be right.

So as the Minister indicated that that was going to be the Government's new policy going forward, my question is: As opposed to creating bad blood . . . after death is difficult enough. So instead of creating bad blood after somebody dies to now go to junior son and junior daughter and say, *Give me the money back that we spent on your mom*, if we are able to put the programmes and policies in place to prevent somebody who has those assets, without creating hardship . . . and I have to stress that, because sometimes people have estates that really are not revenue-

bearing estates. And so I am not asking for hardship just because you own a piece of property. But is there a way that within this grant administration that we can look at ensuring that we do not pay out more at the front end so that we do not have to recoup it at the back end?

And that is a major challenge that I could see that the Government would have if it decides that that is the correct policy, to take money back out of the estate after a senior has passed away. I just think that we need to find a better way to administer those grants of financial assistance, and I would like to get some detail on that in terms of how the Minister is looking at dealing with these situations and these issues.

The employee numbers in Financial Assistance, we are seeing that there is a total employee number of 34. But what we did not hear was what the caseload is. How many . . . oh no, I am sorry. The Minister did indicate that there are approximately 200 clients per worker. I did get that. I beg your pardon. That there was a management services review underway . . . what is the outcome of that management services review? What is it determining in terms of whether our case workers are able to cope with the demands that they have with the client base that is coming in? And are we looking at an increased dependence? Or are we looking at a decrease in dependence on financial assistance? Are we having more people coming through the door or fewer people coming through the door?

None of that detail was specified in the Minister's brief, and I think to ask the public to spend \$48.3 million of their money, I think we need to know. And I believe the Minister has an obligation to tell this Honourable House and the people of Bermuda.

Now, if I look at the performance measures on page B-189, the Minister has indicated that we have a 70 per cent output to provide financial awards to 100 per cent of our new financial assistance clients within 10 working days . . . 10 working days. And the targeted outcome for that is 70 per cent. So that is really saying that anybody who walks in the door today, within 10 working days we have made sure that all of your documentation is in a row and 70 per cent of you are going to get your award.

But if I refer back to the seniors' issue, of asset-holding seniors. Is that 10 days an appropriate time to evaluate whether junior, who is bringing mama through the door for financial assistance, is really giving all the necessary detail in terms of mother's wealth to determine whether mom is actually eligible for financial assistance? So if we do not take the time to investigate and put in the necessary practices up front, we are going to find ourselves grave robbing when mom or granny passes away.

So if we take the time to say we are making sure that whatever comes across our desks is appropriate and, with that said, what we do not want to do is

to say to everybody who walks into financial assistance, *I don't have to go to work. I don't have to do this, because in 10 days' time I'm going to get financial assistance cheque.* That is not the intent. The intent is to ensure that the people who are genuinely in need get the assistance. And now it has gone up to \$51 million in total between the administration and the actual grants administration itself, you know, the clerical administration—that at is a lot of money, that is a significant portion of our budget overall and we need to be able to ensure that it is being well spent and given to those who rightfully deserve it.

Able-bodied unemployed is something that we are not going to be able to avoid. We do not want people going hungry while they are looking for work, but we have to make sure that the criteria are there. The idea of able-bodied unemployed being given assistance by Workforce Development is a positive thing because it saves them from going to knock on an employer's door with this piece of paper saying, *Could you sign this to say I am looking for a job?* When (a) there was no job advertised and (b) there is no likelihood that the skill set between the seeker and the company to which they are presenting this report . . . there is no similarity . . . you know, there is just no comparison.

So we want to make sure that people do not think that, *All I have to do is go in, wait for 10 days and I'll get a cheque.* And we also do not want to put the pressure on the staff to meet unreasonable goals in vetting all of the necessary documentation in order to determine the appropriateness of the applicant.

Okay, the performance measure number two, to award grants to charitable organisations within 30 days of receiving requested documents. And in 2018/19 it looked like there were five days, it does not say "days" but I am assuming it was five days, was the original forecast and now that has moved to 30 days. And I want to say that the 30 days is, perhaps, a more appropriate time because that will give the department the opportunity to properly vet the application process to make sure that public money is not expended in a method by which they have not really earned it or deserve it.

Output measure number three, to provide awards to 100 per cent of the day care providers by the last day of the month before they are due. If the Minister could just explain to us what the process is when it comes to making sure that the day care providers are paid. Are they paid based on a bill that is submitted? Is there a certain period of time that the invoice has to be submitted? Because if you want to pay them by the last day of the month before they are due, which basically says that my child care money has got to be paid by February 28<sup>th</sup> when it is due by March 1 or March 31 when it is due April 1, what is the process that is in place to make sure that the necessary documentation is submitted before that money is disbursed? It will be useful to know that.

And to complete 700 site visits, this is under business unit 65080, for financial assistance clients during the year. And the question begs here is . . . why? What happened to the rest? Because the targeted outcome was . . . the original forecast was 600, the actual outcome in 2017/18 was 500 (I am not sure what the original was) but the forecast now has gone back down to 500. And if you are going to try to complete 700 site visits for financial assistance clients, why is 500 now an appropriate number? Is it that we do not have enough staff to do it? Is it that we do not think it is necessary? Is it that the history of some of the people that are already on the record is such that they are so reliable that we do not have to do it a second time? There has got to be reasons behind it, but we did not hear that and it would be useful to hear why 500 is deemed to be a more appropriate number.

I am going to go on to Health Insurance and that is on page B-190. And, as I said, only because I want to cover all of the topics at a high level and then I will have more questions going forward as do some of my other colleagues, so I am just doing this, but I will reserve the right to come back on some of these issues.

So with respect to Health Insurance, which is Head 91, the mission statement, as I look at [page] B-190, Head 91, is: *We will deliver health benefit products with participant focus, consistency, stakeholder collaboration, coordination of affordable benefits, prudent fiscal and operational management.*

[Ms. Leah K. Scott, Chairman]

**Hon. Patricia J. Gordon-Pamplin:** So my question is: What comprises "affordable," coordination of affordable benefits? What comprises affordable? And I ask that in the context of the Minister's indication on her policy that going forward they were going to go to the single-payer system and there was going to be changes and whatever changes were going to be made, but we did not hear a detail relating to what is proposed in terms of our health insurance.

And part of the reason, Madam Chairman, that we actually allotted this much time was so that we could hear details so that the public could [have] fleshed out to them exactly what to anticipate, what to expect and how this new policy going forward is likely to impact the premiums that you are paying, the services that you get, the money that it is going to cost, and whether our health care system is going to bankrupt us as a country. This is detail that we absolutely need to know. So how are we going to have the necessary information in the absence of the Minister's description and advice as to where we are going, going forward?

The department objective is *to administer corporate financial and risk management strategies to mitigate departmental risk and more efficiently manage the funds.* How is this meant to be attained? We

did not hear that. If the Minister can give us some assistance with respect to what the plan is and where we are going with this?

Develop and implement a robust management reporting process to enable better management decision-making. Are we looking at precertification? Are we looking at some kind of caps? Are we looking at controls? What does this mean? And how will it be achieved?

Looking at the General Administration for Health Insurance Administration under cost centre . . . I am sorry, programme 9101, cost centre 101000, we have a revised estimate of \$4.293 million up from \$3.995 [million] in 2018/19 and we have a new estimate for 2019/20 of \$3.930 [million], which is a reduction of \$65 [million] 2019/20 over 2018/19 original, but it falls far short of the \$300,000 differential between the revised 2018/19 estimate and the estimate for 2019/20. So the question begs, why have we reduced that estimate from revised to something that is closer akin to what existed in the original 2018/19 budget when 2018/19 has already been shown to be out of whack between the \$3.995 [million] and \$4.293 [million]? That does not seem to make much sense. I mean it does not seem to . . . I do not quite understand it, so if the Minister could explain it, that would be useful.

The subjective analysis, when the Minister gave her brief, she indicated that 2019/20 was \$3.995 [million], no different from 2018/19 and, in fact, the number in the Budget Book is \$3.930 [million]. So based on the number in the Budget Book is where I am going to set my queries. And that is, on salaries on the subjective analysis, where the original budget was \$1.497 [million] and the revised is . . . I am sorry, the new budget for 2019/20 is \$1.385 [million], which is a reduction of \$112[,000].

In the light of the Minister's indicating that the health insurance department and the staffing and everybody related thereto are so hard-pressed based on early retirements and frozen positions and the like, based on what the previous administration did, how are we now justifying the reduction of \$112,000 if the Minister had already determined that staffing was not appropriate before, why are we reducing the salaries? That would suggest that staffing . . . there has got to be something wrong with the money relating to salaries going forward for this time. So I just wanted to—

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** Yes, yes, you got it. And I do appreciate that. The Honourable Deputy Speaker has just given me a little bit of interpolation with which I am pleased, because I had kind of overlooked . . . sometimes you have so many numbers that you are looking at . . . there is one less staff, so that accounts for the \$112,000 decrease there.

Professional Services, we are going down by \$19,000 and I am just curious to know wherein lays the differential on that professional services.

And the other question that I have is the receipts credited to the programmes, \$1,860,000 of receipts credited to the programme. What are those receipts? What is the detail, what is the makeup respecting those receipts that have been put into this programme, or that is anticipated to be received into this programme, what are they? And that gives us a total of \$3,930,000 estimate for 2019/20 and not \$3,995,000 as was articulated in the Minister's brief.

So I am going to go to page B-192, Madam Chairman, with respect to some of the performance measures that have been indicated in the [Budget] Book. So the administrative expense ratio for health insurance plan, expressed as a percentage of premium, is estimated to be 7.3 per cent. In the original forecast (and this is for HIP) it is 6.1 per cent, but the actual outcome for 2017/18 showed that there was an 8.8 per cent expense ratio. And while the forecast for 2018/19 has been revised to 7 per cent, the targeted outcome is 7.3 per cent.

The Minister indicated that HIP is effectively the . . . it is the insurer of last resort and, as a result, they are required to cover literally any and everybody who may or may not have insurance coverage in any other sphere and, therefore, it may be a little bit more complex to administer the HIP. But still, at 7.3 per cent, the question is what efficiencies are being brought into the Ministry in order to be able to bring that administrative expense ratio down from 7.3 per cent to something that is a little bit more equitable and, perhaps, try to narrow that gap between industry average and what is the actual expected cost?

We are showing a \$343.00 administrative expense per policyholder, which is down from \$463.00. We did have a forecast of \$346.00 and we are saying okay, now we can probably do better by \$3.00 on the administration of a policyholder. But when one looks at administration expense per policyholder it effectively says take all the administrative expenses, take the total number of policyholders that you have, divide one into the other and that kind of gives you an average of what the individual one is going to cost.

I am not sure that that is an effective way or an appropriate way or an accurate way of determining what the administrative expense is per policyholder. I think that there is a better analogy that we can use or a better equation that we could use in order to ensure that what the cost of policy administration per policyholder is, is something that should be more appropriate. Because you cannot say that, you know, Mr. Smith who comes in the door with zero challenges and Mrs. Smith who comes in the door with a bazillion challenges, that their policy administration fee is exactly the same, it does not make any sense.

So I am just curious as to how we are able to effectively make a determination on the administrative expense per policyholder.

The claim expenses by premiums as a percentage, we have 168.5 per cent projected loss ratio. That is inordinately high. But given that the HIP is the insurer of last resort, that means that everybody and everything that goes in . . . whatever existing conditions, pre-existing conditions, new conditions, you know, major challenges, major medical challenges, that fit in, they all have to fit into that bucket. And, therefore, your percentage is extremely high.

The claims for HIP, the total claims are anticipated being \$27.757 million. That is indicative of the amount of or the type of coverage that is required, so I can accept that.

The headcount though of the policyholders does not seem to support the amount by which the increase is likely to go up. Like, we now have 3,103 policyholders, we have 3,526 anticipated, but the cost in claims is anticipated to go up from \$26.565 million to \$27.757 million, which is literally \$1 million of increase in cost for policyholders for claims for over 420 additional patients or clients or policyholders.

And that does not seem to equate if you start to look at what the expense ratios are, it does not seem to equate with an appropriate amount of uptick for budgeting for the coming year based on the fact that we are expecting this many new policyholders coming into the system. It is not possible that 400 people are going to cost you only \$1 million extra when 3,000 people cost you \$26 million. That does not make any sense if you start to . . . if you can do the math.

Let me go down to the FutureCare Fund, administrative expense ratio for FutureCare Fund is 4.9 per cent. And that really is closer and more indicative of what the industry requires, but FutureCare is a far more targeted group and, therefore, it probably makes sense that they are able to attain an administrative expense ratio of 4.9 per cent or somewhere in that vicinity.

The total claims, though . . . and this is under FutureCare on page B-192, the total claims for the FutureCare Fund, the . . . if you look at the last line there, the total claim number, which is . . . we have under . . . let us see, it is the one, two, three, fourth line down where we have \$28 million of original forecast which is going up to \$36,900,000 over the course of the next year. And that presumably is indicative of the numbers of people who will hit age 65 who will now be eligible to go onto FutureCare, and some of those people will be coming off of HIP, so there is a possibility that we have got some sort of synergy between the two programmes, coming off of HIP, going onto FutureCare.

But the percentages do not make an awful lot of sense. And I say that from FutureCare, if you look at the percentage . . . okay, if you look at the percent-

age, the original forecast percentage of claim increases versus the previous year being 3 per cent, that 3 per cent—and this is where we start getting ourselves into trouble when we are not consistent—because that 3 per cent number is based on the *revised* budget, not the original budget.

So if you look at, Madam Chairman, if you look at the original budget of \$28.274 million on FutureCare—and that is on total claims for FRF on the fourth line down—\$28,274,879 original forecast for 2018/19 and then you have a targeted outcome for 2019/20 of \$36,940,138, that is a difference of \$8,665,000, and that is a 30 per cent increase. Now when you look down at the last line in that segment where it says percentage claim increase versus previous year you are showing that there is a 3 per cent increase. And why is it showing a 3 per cent increase? It is showing a 3 per cent increase because that \$35,864,000 that is the revised forecast, measured against the targeted outcome for 2019/20, is only \$1,075,000 and that is 3 per cent.

But we cannot cherry . . . we cannot pick and choose. We cannot say on the one hand that our budgets are meant to reflect the differences between original estimates and the new estimates for this year and then come up with percentages that are reflective of the revised estimates as against the new estimates because that is not consistent and it is not right, it is not accurate at all. So we are showing that our actual percentage is 30 per cent as opposed to a 3 per cent on the FutureCare.

And if we go back up to health insurance, by the same token, where we are showing a 3 per cent on the original forecast as a percentage of claims increase versus the previous year of HIP, where we are showing 3 per cent, by virtue of the same math, the targeted 2019/20 budget of \$27,757,000, as against the original of \$26,565,000, comes out to a \$1,191,868 differential, and that is 4.48 per cent, that is nearly 5 per cent difference as opposed to . . . if you measure that against the new revised forecast, your \$27.7 million is put up against a \$26.9 million for a differential of \$808,000, and that is 3 per cent.

So it is fine to choose the number that gives you the right output, but it is not correct and it is not . . . it basically is obfuscating the numbers, and I think we need to be careful about this. You know, either we are going to have one directive or we are going to have a different one. So, it is important that we start to be consistent in the methodology which we use to give information as to what it is that we are actually doing.

Now, I covered the hospital subsidy in the performance measures, but I do have some questions so I am going to come back to that a little later. And the combined HIF, FCF and BHB subsidies, you know, there are some numbers there that we really need to flesh out.

But overall, Madam Chairman, I think it is important for us to recognise the importance of that consistency, as I mentioned, so that we have a common thread by which we are able to examine numbers from one year to the next and from one department to the next. And, you know, the unfortunate thing, perhaps fortunate or unfortunate with me, is that as an accountant I look for the numbers, and if the numbers do not tie, the numbers do not tie. And if they do not tie, I am going to ask the questions.

So as a general overview, I would like for the Minister to give us some more detail with respect to the Grants Administration as to what we are paying for in Financial Assistance and, in particular as well, to ensure that we have some detail with respect to the health policy that she is intending to implement through their new Government policy and strategies in terms of where we stand. And those are the big questions, apart from the smaller questions which I have asked specifically and I would expect to have some responses as time goes on.

I do know though that there is one other thing and that was with respect to day care standards because the Minister had indicated—one minute we were talking about rats and the next minute we were talking about children and day care and I was like a little bit confused—but she did not indicate where she was in terms of the heads, and the Minister indicated that she would get that information for us and let us know where she was referring to on those day care standards.

And the other thing that she spoke about with respect to the hospitals was electronic health records. And the question begged in that—and that was on Hospitals [pages] B-184 to B-185—when it comes to electronic health records, which the Minister had in her brief, it is not specific in the—it is just part of the cost of the hospital which the Minister gave us detail about with respect to the electronic medical health records—the question is, we did hear that through the Health Council there was some, I guess, coordination of medical record numbers for clients and the like, but I think there were 1,400 of them (if I remember the number that she said correctly), but we have thousands of people here, so where are we with respect to doing something in relation to medical health records . . . electronic health records?

Because that is a significant key in helping to control the cost of health care so that somebody will know that patient 1234 did not go to doctor A, B, C, and D, get the same requests, have the same tests all done, and the system is paying for it four times over. When, in fact, the patient is really only looking for some kind of comfort that diagnosis by A was maybe not what they wanted to hear, so they go to B and that is not what they want to hear, so they go to C or D and then when they find out what they want to hear, then they are satisfied. But we are paying four times over for the patient's comfort in knowing what the out-

come of their diagnosis is and I do not think that this is a fair use of our funds.

So if we had an electronic health record system, then it would help to alleviate that challenge. And I do know that because, as I said, I was the Minister in that area, it was kind of difficult because I did have somebody come in and they said that putting in an electronic health record system would be between \$20 [million] and \$40 million. To which I said to him \$20 [million] to \$25 million is an estimate, \$20 [million] to \$40 million is a guess, go back and bring me back something that makes sense. Because you cannot say something could either be \$20 million or \$40 million—it cannot be, it cannot be. That made no sense.

And one other thing, too, and that is on patient-centred medical home leaves and this is with respect to Hospitals and I am looking . . . I am thinking this is also on page . . . Hospitals is on page (I have it turned over) . . . page B-184 is Hospitals. When the Minister indicated that the patient-centred medical homes had gone from 167 patients up to 2,013 patients, and I am just wondering what precipitated that very large increase. I have a couple of other questions, but I can always come back and ask them a little bit later.

Thank you, Madam Chairman.

**The Chairman:** Thank you, Member.

Are there any other Members that wish to speak?

The Chair recognises the Honourable Jeanne Atherden from constituency 19.

**Hon. Jeanne J. Atherden:** Thank you, Madam Chairman.

I think, Madam Chairman, I think it goes without saying that we are all here trying to get a clear understanding of the numbers that are here because the Minister reminded us that the health insurance—health—the whole Ministry of Health, after debt, is the largest Ministry. And, therefore, I think it is very important for us to have clarity on how the money is being spent.

And so I am going to go through and ask some questions. I am pleased that my colleague had started off with some of these questions, but I am going to go through and ask some that I believe are important out there.

With respect to the Ministry of Health Headquarters, I think it is important for us to understand that this department is responsible for the grants and administration. And I know that some questions have been raised—

**The Chairman:** What page are you on, Member?

**Hon. Jeanne J. Atherden:** I am going to go now to start off with [page] B-167 and it says . . . this is under 2101, General, and then it goes [to] 31015, Grants

Administration, and it shows that the actual for 2017/18 was supposed to be \$5,484,000 and the original was \$5,342,000 and then it goes across in terms of the revised.

Now, when you go to [page] C-17, it says under the Ministry of Health that the actual for 2017/18 is \$6,203,000 rather than \$5,484,000. And the reason I am asking that is because that is \$719,000, and so it makes you start to wonder when you have Grants that all of a sudden the money is there and then nothing is there later, is this something that has moved somewhere else or is this something that the Ministry has decided that there is not a programme. So I think it is important for us to have some clarity on the fact . . . and especially, it looks to me like it is relating to 6869 which is Grants to External Bodies of \$719,000. So if that is the case it would be nice if the Minister could indicate where that money has gone to, just so that we are clear on what the Ministry is covering, okay?

So then after that when you start to go and you start to look at some of the performance measures and . . . the Minister might not know, but I am sure the technical officers will know, and the people of Bermuda will know, that I am really a stickler in terms of performance measures because I believe that they are helping us understand how the money is being spent, they are helping us get an appreciation on whether we are getting value for money and, therefore, I think it is important to have measures that make sense.

So if I go and I look at Corporate Services—

**The Chairman:** What page are you on, Member, please?

**Hon. Jeanne J. Atherden:** It is on [page] B-170, sorry.

**The Chairman:** Thank you.

**Hon. Jeanne J. Atherden:** If I go to [page] B-170 and I am going to go to business unit 31030, Health Care Registration and Regulation, okay, so then, in this—and this is the third item down—it says *percentage of complaints against health care professionals resolved by professional statutory bodies within one year*. And according to this it was 80 per cent, 85 per cent, and 88 per cent. Well, it begs the question of . . . if you are only resolving 88 per cent, there are still some more complaints out there in any one year which are unresolved. So it would be interesting for the Minister to be able to let us know how long it takes for the rest of the complaints to be finalised.

And the reason I say that is because my second question to the Minister is, Do all professional bodies have a complaints committee separate from the Council that the complaints are referred to? Because I am certain that there were some professional bodies where there was a question of, did they have a

separation of the complaints committee versus the Council and they had to do something about resolving it. So it would be nice if she could answer to us: How long does it take to resolve the complaints—those ones that are not done—the 15 per cent? And, also, how long . . . whether all the professional bodies have actually gotten a separate complaints committee separate from the Council?

With respect to [page] B-171, this is talking about . . . this is Ageing and Disability Services—something which is dear to my heart and dear to everybody else out there because we are all getting older and it is important—it says *the number of complaints submitted to the Registrar*. Now, the original forecast for 2018/19 was 34 and then it was discontinued. Now, I am going on the basis that it might have been discontinued because it is [being] reported somewhere else. So, could the Minister tell us where the complaints are submitted to if they are no longer reported to the Registrar? Because I cannot believe that somebody does not do a follow-up of these complaints. We have had enough issues in this House about complaints and following them up.

So if the Minister could tell us something about that, this would be very important.

[Inaudible interjection]

**Hon. Jeanne J. Atherden:** I am on [page] B-171 and this was under Ageing and Disability Services, and halfway down it says *number of senior abuse complaints*—something which, I know, is dear to your heart, Member—and it says in terms of original forecast it was 34 and then for 2018/19 this has been discontinued and in 2019/20 it has been discontinued. So I want to know, Where are the complaints referred to? It must be somewhere. I cannot believe that it is not done. So that was my question with respect to that.

Then when you start getting into [page] B-172, which shows [the] number of clients participating in greenhouse gardening programmes and the client percentage demonstrated satisfactory or better skills. And I think that this is . . . it said the original forecast was 91 and it has gone down to 56 per cent and up to 80 per cent. Now I glory in the Ministry doing this because I know that, you know, the people that have come out to learn those greenhouse skills have been very important in terms of people going home and opening up little gardens out in the back.

And I was pleased to hear that the Minister was indicating that they have moved it from just the little training programme. I think she said that now you get sort of three months of subsequent training afterwards, which is good because most times you are there, you think you have got it, and you go back home and you try and do it and before you know it some of those things are dying off. So doing that, I think, is very . . . is a good idea. But I would like to know if the Minister could tell us in terms of going up

from 56 per cent and up to 80 [per cent] what is, what I call, the deterrent for getting it 100 [per cent]? Because I think the bottom line is we have to ask questions like, *What is the deterrent?* because then the Minister or someone can tell us what they are working on, as opposed to just saying, it is not good enough to have 86 per cent when you should have 100 [per cent]. What is the deterrent?

So then I go to the Department of Health and when I start to go to the Department of Health I have, you know, a couple of my favourites which are in there, and the favourites go down to Lefroy House and Sylvia Richardson. And the reason I say they are my favourites is because Lefroy House . . . I have always felt that Lefroy House . . . we had lots of good ideas about what we wanted to do with them, but we never quite pulled it off.

So I was pleased that my colleague asked the question about . . . if we have developed a space where they might be able to go, that it would be nice for us to be able to get some indication of timing and money and capital because the bottom line is that it is no good to say that you have got something planned if you cannot see something that says that money is going to be allocated for that. If not, it becomes a good-to-put into the Budget Book and then later on the seniors are still suffering and the people up at Lefroy House are still going through and working under conditions which are stressful. So it would be nice to know that.

Now with respect to Sylvia Richardson, I think that the Minister indicated that there were the 10 beds that were opened up and, therefore, the . . . I think she said they started to have them . . . started to be filled in February and there was an indication that they would all be filled by the end of March. And I just wondered if the Minister could just confirm that, not only are the beds going to be filled, but the issues with respect to elevators and other things have all been resolved because I know that this was one of the things which was delaying us—the previous Government—trying to get on and do some of this.

And the second part of it is that if the Minister could indicate that, what I call, the system with respect to the Hospitals Board and transferring people to them have been . . . whether a system has been set up so that when people come out and are eligible—when I say “eligible,” in terms of the type of care that they have [would indicate] that Sylvia Richardson is appropriate for them—I wonder if the Minister could just explain to us whether there is a system in place to make sure that the right people get into the right beds.

Now with respect to . . . still going on . . . and I am sorry, I am going to bounce back to the . . . if I can bounce back just a moment to [page] B-167? This is the office of the Chief Medical Officer. In that there was an indication that the office of the Chief Medical Officer spent a lot of time in terms of with the pharmacies and the doctors and the registration, et cetera,

and monitoring the health of the public, and I just wondered whether the Minister could indicate whether . . . the process and procedures are such right now that all of the persons who are physicians who must have registrations, whether all of those registrations are up to date.

I know she indicated that there was going to be online registration for them and that means that that is good because it should make it easier for people to actually register and it should make it easier to have it . . . for anyone to know that someone has not registered.

Now there was an indication that this was going to be transferred to the Health Council, so if the Minister could indicate to us when that would be, would it be in next January? Because I think it is sort of an annual item. So if we could get an indication of that.

The Minister also indicated that the chronic disease register, and she mentioned about STEPS 2019 that is going to be implemented because that was . . . the last one was, I think, 2015. So I think it would be nice if she could just indicate to us when it would be because I know that this is something that . . . the more information that we get out to people to tell them that it is coming and get them committed . . . and this, to me, is something that could become a bipartisan thing. Because I do not believe that anybody—on this side or the other side—would not want to be supportive of saying to people *get out and provide this information and get it done as quickly as possible*. Because the longer it takes to get this information in, the longer it takes us to understand some of the corrective action.

And I say that because I remember the thing that I was struck by, the fact that . . . I mean, that is when you realise that a woman’s waist was now 32 inches as opposed to what used to be the size before. And these are things that . . . and then that is when we [found out] about diabetes and diseases, so it is important.

So if I then go to Ageing and Disability Services on [page] B-167, the Minister indicated that there was . . . that the K. Margaret Carter [Centre] was liaising with MWI and I know she mentioned about the client-centred passport, but I just wondered whether any progress has been made in terms of potentially having MWI effectively, almost, taking over the service that is being done by [the K.] Margaret Carter [Centre]. The reason I say that is because if you go up there, [the K.] Margaret Carter [Centre], you know, they have their clients there, they are teaching, they are putting them through . . . learning how to have life skills, how to be able to stand on their own, they are coming up with the products being created so that they can sell them—I do not know whether you have seen them at Christmas time, where you can go and buy sand and a lot of other things—but MWI is doing the same thing too. And I often felt that there was

something where we had a potential duplication and if we could figure out how to merge the two, then it might then create some, not only economies, but also some staff might become available.

Okay, so there was an indication of . . . when we were talking about—this is Ageing and Disability Services—there was an indication that there were 15 complaints and there was somebody responsible for investigating them in 24 hours. And I just wondered if the Minister could indicate who right now, the Ageing and Disability Services department, reports any complaints to where they feel that they need some further action or intervention. I know at one stage there was a concern as to whether the police had a dedicated individual, but it seems to me like that dedicated individual got some other activities on their plate, and so I just wondered whether we have been able to get, what I call, the type of responsiveness that one would need.

With respect to the Health Council, well, my colleague asked some questions about the money and the Health Council and I am not going to go into that. I think that . . . what I was intrigued by though was the fact that there was an indication that a programme had been started in terms of a unique patient identifier and that we had 1,400 patients that were actually part of this pilot. And I just wondered, without giving anything away with respect to confidentiality, is the Minister able to indicate whether these 1,400 people are concerned in one particular . . . (how shall I say?) . . . one particular discipline or whether they go across a range of disciplines? Because, obviously, the more we get to be able to look at how the system works, then the better it will be.

With respect to . . . I think those are the questions that I had with respect to Head 21. Okay, now we can go to Head 22.

With respect to Head 22, back to . . . I have dealt with the Eat and Grow programme, which I think was good, . . . nutrition . . . the elimination of the mother childhood disease. With respect to . . . I was intrigued because [on page] B-173 the Minister indicated that Child Health includes transfer of child health visitors. Perhaps, afterwards she could clarify that because I did not understand that.

Then she indicated that . . . the five-year-old coverage that . . . they had only been able to see 32 per cent of that due to low staff numbers. And, obviously, when we talk about numbers and positions we are recognising that this is a factor of headcount and that is why my colleague was asking about how many people we actually had. Because the [Budget] Book says one thing and so you cannot see how many are missing.

If I then go to Community Health, I guess I need to understand something because when I try to look at Community Health and then when I try to look at performance measures, I did not . . . it talked about—this is on [page] B-178—it talks about the per-

centage of clients visited within 48 hours, but if the Minister . . . because, unless I am missing it, I could not see where the clinics are. If the Minister could remind me where the clinics are with respect to . . . the clinics that we used to have in St. George's and Somerset and Hamilton where people used to come in and have services? Because I know that they used to be a significant part . . . for seniors, they used to be a significant part of keeping them under . . . at least their health under control.

With respect to Vector Control, and this is now on [page] B-174, which is . . . I know Vector Control is very significant. I mean, we know, leaving aside the rats and the mosquitoes and all sorts of other stuff, the rodent control, the Minister talked about child care standards. And I wonder if she could clarify that because I could not remember and I could not understand how Vector Control got into that. Okay, now I wrote it down, but as I say, I am a former Minister there too, but things change and so if she could remind us about that.

*[Inaudible interjection]*

**Hon. Jeanne J. Atherden:** No, maybe you are worried about . . .

So that with respect to revenues on . . . this is [page] B-175, I think I just want clarity in terms of revenues, where it says patient fees. If the Minister could clarify what those patient fees are. I started to think that it could have been patient fees for people that went to Sylvia Richardson and Lefroy because, to me, those are the places where you have patients. But then, on the other hand, I thought that it could be for some of the other clinics, et cetera. So if the Minister could just clarify what the patient fees, which is \$2,534,000, if she could just clarify what those patient fees are? That is on page B-175.

Okay. With respect to the Department of Health, as I said, I have asked my question about client visits, et cetera, so I am not going to belabour that.

*[Mr. Rolfe Commissiong, Chairman]*

**Hon. Jeanne J. Atherden:** And I think my next question goes over to Hospitals. With respect to the Hospitals, bearing in mind the Minister has indicated that . . . oh, sorry, I am sorry, Mr. Chairman, can I just backtrack for one second? I do apologise.

Before I go to Hospitals, I just want to backtrack for one second.

**The Chairman:** Sure, go ahead.

**Hon. Jeanne J. Atherden:** This is [page] B-167. There is, under [line item] 2103, the Ageing and Disability Services, okay, I just want to ask the Minister, Where is the National Ageing Plan that was being developed by the former Government? Because it had a

strategic workforce initiative and it talked about employment and financial strategy. The reason I am saying that is because when I come later and talk about the Hospitals, it then starts to tie into some questions about the amount of money that is being spent on the aged. So I am going to ask that question here relating to the National Ageing Plan and then I will flip back over to Hospitals now.

And so if I then go to [page] B-184, I think the difficulty or the dilemma that I have is the fact that when you look at the Hospitals and you look at the amount of money being spent, and recognising that the Minister just sent out something called “Innovation in Hospital Financing,” which is putting a lot of emphasis on hospitals and how much money is spent in hospitals, it just begged a question in my mind in terms of . . . if you look at the inpatient, that has tended to be fairly consistent in terms of the amount of money that is spent on indigent, the amount of money that is spent on the aged, the amount of money that is spent on youth.

When you start to look at the outpatient, the aged, that amount of money is just . . . it is . . . it is swinging. It is swinging, you know, because you are ending up saying that in 2018/19 there was \$39 million you thought we were going to spend, then it has been revised up to \$48 million, and then revised down to \$39 million—\$9 million on outpatient is a huge amount. That is like . . . that is like almost 30 per cent! Twenty-five per cent of outpatient . . . and recognising—this is outpatient, this is not inpatient—and when you start to say that for aged you are paying almost . . . you are paying more money for outpatient services than for people being in the hospital, it begs the question of what type of analysis has been done with respect to this?

Because . . . I am asking the question, which as I asked the Minister earlier, if you have the clinics where seniors could go to, that would be the first place where the seniors could go and get a handle on *I'm not feeling well*, they could start to find out what is happening to them before they get full-blown illnesses and, therefore, I wonder whether the clinics are still [operating]. What is the . . . if the Minister could tell us, if they are [operating], how often and what type of numbers of people come to these clinics? Because without that, you have to try and figure out why the hospital then is becoming, what I call, the place where \$39 million of services are going to . . . in this year just gone by up to \$48 million—a \$9 million increase—it means that something is driving that.

Now recognising . . . and I am saying this because under normal circumstances I would not say this, but I am saying this because the only other thing that comes to mind in terms of outpatients is . . . if you are at the hospital, it is labs, it is diagnostic imaging, and it is CAT scans and MRIs. I would hate to think that this \$9 million is being driven by some of those increases. But the reason I say I hate to think that is

because I cannot believe that seniors would be . . . coming up with that type of increase, but I would like think that the Minister could explain to Mr. and Mrs. Public because that is a huge increase.

With respect to some of the other things where we know that the aged subsidy picks it up, I wonder if the Minister could indicate to us how many people that are on dialysis are over 65. The reason I say that is because, obviously, dialysis is something that people are on, but . . . my question was . . . it is a twofold question: What has been the increase in dialysis expenditure this current year? What has been the separation between dialysis at the hospital and dialysis at the new facility? Because there is a new facility, and that is the way you get to understand how additional service providers impact on the cost of expenditure in the health system. So if the Minister could indicate how many people are on dialysis over 65, the amount of dialysis expenditure for the year, and how much was at the hospital and how much was at the new service provider?

Let us see . . . then . . . if I then go back to . . . let's see, it is . . . the Minister talked about the hospital and electronic health records, and I just wonder if the Minister is able to indicate whether the hospital and the Ministry programme—the one that she talked about earlier—whether they are at least talking to each other to make sure that they are not duplicating [tasks] and that they are actually, you know, travelling on the same path, or at least a path which makes sense.

Now with respect to access to urgent care, okay, when we talked about the hospital the Minister talked to us about the number of people who were actually going into the hospital's patient-centred home and I must admit I was amazed because . . . sorry, the hospital has a patient-centred home and there was an indication that I think that . . . and this is where we said that it started off at 167 and currently it is up to 2,013 and I thought, fantastic! Because I know that the patient-centred medical home is the hospital's version of saying if you come there and you are uninsured, then they are going to take care of you and they are going to start to manage you and they are going to start . . . you have to have at least two or three of those diseases, like high blood pressure, diabetes, obesity—you have to have some of those conditions in order to be part of their system.

But once you get in there that means that this goes a long way to take the pressure off the general population.

Now, the other side of it is . . . and when we talked HIP and FutureCare and MRF, the Minister talked about the Enhanced Care Pilot [programme] and the numbers there just seemed miniscule. And I do not understand, I do not understand how the numbers—

**Hon. Kim N. Wilson:** Point of personal privilege.

**The Chairman:** The Chair recognises the Minister.

### POINT OF CLARIFICATION

**Hon. Kim N. Wilson:** Thank you and I thank the Honourable Member for yielding. That was a typo. It was not 2,013 it was 213 with respect to the patient-centred medical home.

**Hon. Jeanne J. Atherden:** Thank you, Minister.

**The Chairman:** Thank you, Minister.  
Do you wish to resume?

**Hon. Jeanne J. Atherden:** So, so, we are saying it has gone from 167 to 213?

*[Inaudible interjection]*

**Hon. Jeanne J. Atherden:** Okay, that is fine. That is fine. So it has gone from 167 to 213. That is fine because that . . . that is the type of increase that I would have expected it to go through. But it still begs the question that I have when we are starting to talk about . . . when you were starting to talk about HID [Health Insurance Department] and FutureCare, et cetera, because there was an indication that the Enhanced Care Pilot [programme] only had 190 active people, recognising that the hospital is just one place, but the Enhanced Care Pilot [programme] was supposed to have several doctors.

So I wondered if the Minister could indicate to us: (1) the number of doctors that are part of the Enhanced Care Pilot [programme]; (2) whether any of them have opted out; and (3) what has been the percentage increase since it started, recognising that both of them started [at] pretty much the same time? And I just wondered if she could tell us that number.

Okay. With respect to [page] B-187, Financial Assistance, I guess my colleague asked a lot of the questions that I had, but my questions really focus on the fact that we know that a lot of people that are on financial assistance are seniors, and we know that a lot of people that are on financial assistance also have illnesses, et cetera, which sometimes prevent them from working. So I just wondered if the Minister is able to indicate whether any of her financial assistance . . . whether any of the financial assistance clients are any of the individuals that are either part of the patient-centred home recognising that . . . I am presuming that they are not part of the hospital's Enhanced Care Pilot [programme] because the hospital is only taking people who are uninsured.

With respect to . . . the other question, if the Minister could indicate . . . a lot of people do not, perhaps do not understand the relationship between the Standard Health Benefit and the monies which are collected that go into the MRF fund and then go out afterwards to form the basis of funds being available

for the Enhanced Care Pilot [programme]. So if the Minister could just indicate to us how much, on an annual basis right now, is being transferred from the MRF to go into the Enhanced Care Pilot [programme] "pot" (if you will) to take care of these individuals. And also, how much money is actually left and how much is being drawn down?

And I think those are the questions that I have, and I am sure my colleague is probably ready to go again. Are you? Okay.

**The Chairman:** Well, thank you, Member from constituency 19.

The Chair now recognises the Member from constituency 22 *[sic]*.

**Hon. Patricia J. Gordon-Pamplin:** Twenty-three.

**The Chairman:** Twenty-three.

**Hon. Patricia J. Gordon-Pamplin:** Close enough.

**The Chairman:** You now have the floor, Member.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, thank you.

I just wanted to go to page C-5 on the Capital Development. And I did mention earlier that it was good if we could see some sort of money going towards the Lefroy House relocation and I see that there is \$250,000 in 2019/20, which probably will not do much more than do some plans, so the question begs, what is the kind of time frame within which it is anticipated that we will be able to see some kind of action? I see there is a \$19 million TAF, but I am just curious as to what the time frame is that we are expecting for that to move.

Also, we had under Hospitals [on] page C-5 under Hospital Capital Development, 75022, the Mid Atlantic infrastructure upgrades. And the question is, there is \$4.5 million out of a \$7.2 million TAF, but \$4.5 million has been allocated within this coming year's budget, and the question is, of that infrastructure we had spoken of or that had been, initially, information that they were going to try to combine the campuses of Mid Atlantic with the KEMH on the footprint at some point in time after the demolition of the old nurses' quarters and the question is, has there been any update with respect to what the overall property plan or what the footprint plan is in relation to that capital development?

Under the Department of Health on page B-181 with respect to the housing conditions, and this is Department of Health, business unit 32180, which is the Housing Conditions. The question that I have is the performance measure indicates the percentage of tourism properties rated compliant with health, hygiene and safety standards and my question is: In light of the number of new vacation rental properties

that have been brought on the market, are these conditions and safety standards with health and hygiene, are they being rated in the vacation rental property space as well? Or is it only in the traditional hotel-type management for tourism properties?

I also have a question on page B-180 with respect to indicators and that is on the occupational health and wellness, business unit 32130, where it indicates that a [percentage] of all inmates received in correctional institutions who received an initial medical evaluation and that number is 95 per cent. That is slightly disturbing and concerning inasmuch as within the context of a prison environment, it would seem to me that 100 per cent of our inmates ought to be examined upon intake, you know, for an initial medical examination.

We need to ensure that our officers are working in safe environments. And if we do not have a 100 per cent intake, how do we know that some new inmate coming into the system has not been or is not an HIV/AIDS patient or whatever with whom the correction officers are required to interact on a daily basis? So we need to make sure that their safety is also taken into account along with the intermingling of inmates one with the other so that we have . . . we ensure that there is a safety measure employed with our . . . you know, within the corrections institution. So I am just curious and concerned that this should be looked at.

Okay, so I want to go back to page B-179 and this is with respect to Nutrition under business unit 32110, the proportion compliant with the school nutrition policy, all government and private primary, middle and high schools should be . . . I am sorry, they are budgeted as being at 90 per cent targeted income being compliant with school nutrition policy. Now I do know that within the Ministry, and it was Marie Beach, if I recall, and she probably still is working with that programme, was quite pedantic and quite excited about what she was able to bring to the children in highlighting the necessity for good nutrition and taking out sweets and the like away from the school policy . . . away from the school environment. And I am just curious as to how that nutrition policy has been developed further subsequent to what Ms. Beach was actually doing and as we saw being active.

Also with Nutrition compliance with medical nutrition therapy diets at rest homes and correctional facilities, so the question is: How are the diets . . . how are the medical nutrition therapy diets being managed and controlled in the rest homes? Is this relating to all rest homes? Is this relating to only government-run rest homes? Or does this incorporate the entirety of the rest home industry so that any senior who is in any rest home is reasonably able to know that they are receiving medically nutritious diets that have been approved by the department?

When it comes to occupational therapy, early intervention within 20 days from intake . . . school

health, 20 working days from the date of intake, in seniors and adults, 20 working days—this is a percentage of referrals assessed within established time frames—and we are going for in excess of 85 per cent, whereas we had an original forecast before of 90 per cent. So why are we . . . I guess, diluting this requirement to come down from a 90 per cent requirement down to just a greater than 85 per cent? And while it may not seem to be a large differential in terms of percentage points, we just do not want people falling between the cracks, and I think that this is important.

So the number and percentage of clients demonstrating progress towards functional goals following their first review period with early intervention, school health, seniors and adults, they are all sort of in excess of 85 per cent is the goal . . . is the targeted outcome. But how are we measuring . . . how are we actually measuring this? Is this being measured by international world health organisation standards? Is it measured . . . how are we ensuring that what we are indicating to be the outputs are actually able to be measured to confirm that the outputs are actually being met?

And then I want to go to Oral Health Control. With seniors the total number of visits per sub-programme with seniors, children, prisoners and special patients, there are 1,500 seniors that are under—and this is on page B-180 under business unit 32150, under Oral Health Control—with 1,500 seniors being . . . the total visits and; of children, 3,200 children; prisoners, 275; and special patients, 65. Now this is in comparison to seniors, 250 being the original forecast for 2018/19.

So the question is, while it is very positive, obviously, for our seniors to ensure that there is dental . . . oral care available to them, that seems to be an inordinate range between 250 original forecast for 2018/19 and 1,500 in 2019/20, given the Minister's lament earlier of the shortage of staff and the inability to recruit effectively, how are we going to achieve that 1,500 targeted outcome if the staffing is not there?

In terms of children we are going from 1,000 original forecast in 2018/19 to 3,200 children, again, we want to stress the importance of our young people having the ability to have oral care, but are we realistic in saying that if we had a forecast of 1,000 . . . can we realistically go up to 3,200 if we look at the fact that in 2017/18 the actual output was 1,395; so we are effectively talking about more than doubling the output from then until the 2019/20, albeit we do not have the actuals in respect of 2018/19 so I do not know what the incrementals were.

The 275 prisoners being the targeted outcome, the question begs: How many inmates do we have? Because I thought that we actually were down on the number of prisoners in the correctional institutions, so are we giving an output measure that is actually in excess of the population that we have going

into the prisons? Are we . . . I mean, how can we have 275 dental checks unless we are doubling up at some point in time? I just do not know. The numbers just did not seem to tie.

And the percentage, the proportion of patients who demonstrated improved oral hygiene status at recall. The target is greater than 85 per cent. And I think that we cannot really get much better than that because notwithstanding what you would want to hope that people take advantage of the opportunities, then what will happen is that they will effectively be able to . . . you know, that 85 per cent is not that bad even though we would like for it to be a 100 per cent improvement, that is an unrealistic expectation. So 85 per cent, I am happy to deal with that.

Public Health Nuisances by air quality, noise vibration and beach pollution. So the question that I have—and this is on page B-180, business unit 32171, with respect to Public Health Nuisances—and on that we are dealing with air quality, noise vibration and beach pollution. Now with noise vibration there is a targeted outcome of three; two for beach pollution; and 30 for air quality. I wonder if the Minister could just give us some indication as to what constitutes that public health nuisance with respect to those three categories.

It would seem to me as though with beach pollution we would have things like the washing back of sewage, and the like, on the beaches, and this would perhaps be something that would come into that ambit of beach pollution.

But noise vibration, for there to be only three . . . one can only stand on the corner of any Hamilton street, any hour of the day or night and hear boom boxes coming from three or four blocks down the street and feel that if that is not noise pollution, I am not quite sure what is. We constantly also get situations in which you have people who live on the harbour and you have boats that are doing, you know, casual and social functions on the water. And somehow, notwithstanding, if I have a complaint from my constituents, I say to them, *Listen, it is only for a couple of hours once every other week, so don't complain, just put some ear muffs on and go to sleep.* But by the same token, it is quite a nuisance, and I think that my very glib response ought not necessarily—

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** Oh, yes. That too. That too, definitely.

And so I just wondered what constitutes that.

And, Mr. Chairman, just by way of interpolation and information, you actually spoke about kites. We have had situations, especially on the south shore in the Astwood Park area, where there has been a tremendous nuisance that has been created to the extent of a complaint having been made to the Department of Parks, and somebody going over and ac-

tually daring to cut down the kite and having a nasty confrontation [between] the owner of the kite and the complainant who was a tourist facility in that particular area. So the question begs, what actually constitutes this noise pollution, and how are we likely to be able to ameliorate that so that we have a comfort level for people who have to be subjected to inordinate noises?

The number of food hygiene complaints that have been received and the percentage of complaints resolved, it is good to know that even one complaint of food hygiene variance is one too many. But the fact that 100 have been resolved, I think is a very positive thing and we are pleased to see that.

Under Vector Control, we spoke about the rodent issue and the proliferation thereof. But there is also under Vector Control, 32190, on page B-181, a percentage of positive mosquito traps. There is a 30 per cent of positive mosquito traps. The question I want to ask is, How many actual mosquito traps . . . sorry. It says that there are 16,000 service visits. That seems like an inordinate number of visits for the department to be able to undertake, so I am just curious. What constitutes a service visit for mosquito issues? I think the rodent issue speaks for itself.

I spoke earlier about forensic analysis, so there is no need to go back into that area.

I do want to go into the number of urine drug testing things that are facilitated. The question is, Are any of these drug testing screenings in relation to the sports anti-doping measures? Or are those purely done by the sports bodies, by BSADA [Bermuda Sport Anti-Doping Authority]? And are these urine screens, or confirmations, only in relation to government employees or . . . because there are 3,000 of them that had been targeted. We had an original forecast. We had 3,100 in 2017/18. As I said, I do not know what the incremental is between 2017/18 to 2018/19, but we have a projected of 3,000 in 2019/20, so I was just a little bit curious as to whether these are just related to government employees and their necessity to be drug free.

The other thing that I have is the discontinuance, under 32230, of the return rate of performance appraisals and forward job plans. Again, in this business, you know, I was just curious that this measure was discontinued and I am just wondering what it has been replaced with.

The health promotion, a portion of action plans developed as part of the National Health Promotion Strategy for a Well Bermuda, it says that there are 100 per cent of the action plans, but it does not give us a number. I know, certainly, the actual outcome in 2017/18. There were 15. And in 2018/19 we had 16 of 18. But [what is] the targeted outcome for 2019/20? How many action plans are we anticipating?

Also, the public awareness of media, radio, TV, Facebook campaigns, and public health messages, I think all of us know the jingle of *healthy people*

*and healthy communities*, which has been the mantra for the department for a few years. But I am just wondering whether there is any way that we can enhance that completed message to ensure that the public actually continues to have an appreciation for the campaign that the Department of Health is attempting to advance.

Comprehensive School Health. The percentage of schools taking part in Healthy Schools programmes. I did ask the question earlier; I now see that according to the targeted outcome it is 29 of 31. I just wonder if we can get some kind of response in terms of how that programme actually measures out or relates to, or translates to the benefit to our young people. Are we noticing that there is any less obesity or there are any less health issues that our young people are experiencing as a result of this comprehensive school health [programme].

The Occupational Safety and Health, business unit 32270, page B-183. The question with respect to falls, falling objects, fatalities (fortunately, there were none), faulty equipment and burns in the workplace, Occupational Safety and Health. Within the Department of Occupational Safety and Health, and I always to declare my interest when I get to something of this sort because I have actually had the, I guess, pleasure of working in that kind of environment, noticing the importance and being trained in the importance of certain safety features, such as, you cannot be on a ladder that is leaning up against a wall without somebody being at the bottom, and just some basic things. We are looking for a targeted outcome of possibly having 300 falls in the number of workplace accidents. And that is an awful lot. [This] suggests to me that there is something missing in our message to be able to highlight the importance of safety features that are required.

I will tell you, Mr. Chairman, my safety feature was done as a result of my active involvement and certification in asbestos abatement. But in some instances, I have seen people on sidewalks doing things that . . . you know, they will be digging up a sidewalk and there is no dust mask. There are things that, while it may be, *Oh, I'm just doing it for now*, people may not realise the long-term impact, the negative [impact], you know, the inflammation of the alveoli by ingesting, by breathing in toxic kinds of things which they may not be properly aware of. Having things like personal PAPRs, [powered air purifying respirator], when they are dealing with hazardous and toxic material, that these are critical, not because a supervisor wants to be a nuisance, but, rather, because individuals, the health impacts could be negative.

So as a result of that, I am just wondering, apart from the inspections that need to be completed in order to make sure that people are compliant with the safety things, whether we could ensure that these

educational issues are effectively dealt with so people are aware?

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** I have the right to ask questions. It is better than being up on the wall, that we heard about last week.

So the number of asbestos inspections performed has been discontinued. Mould inspection has been discontinued. School inspections have been discontinued. And that is a particular concern for me. The question begs, Is there a particular reason why these inspections have been discontinued in terms of recognising the necessity for occupational health?

The number of dangerous occurrences is targeted at 180, which, in fact, I think, we need to work on how we can minimise those numbers because, obviously, those are challenges.

I think if my other colleague does not have another question I will take my seat to allow the Minister to answer some of the questions maybe, and then we can have more questions, if need be. Thank you, Mr. Chairman.

**The Chairman:** Thank you, Shadow Minister.

The Chair now recognises the Member from constituency 19, once again.

**Hon. Jeanne J. Atherden:** Mr. Chairman, I have one question and I think this sort of brings it all together.

Recently the Health Council put out a paper on hospital financing. And the Minister talked about BHB and talked about \$20 million being reduced out of the hospital. Now, that is a significant amount, recognising that we are saying that we are \$770 million, so that is a significant amount. The Minister also talked about the health system financing reform, and she had indicated that . . . I thought that we were going to be seeing something soon. So, obviously, it has not come yet. I think she seemed to be indicating that there was going to be a delay in perhaps the Standard Health Benefit numbers.

So I wondered . . . I can ask the Minister this question because I think it brings it all together. The BHB came up with a 2016–2021 Strategic Plan, and in that they talked about bringing the cost of health [care] down, they talked about modernisation projects, and they talked about some of the things that are going forward. Now that plan was designed, if you will, to take the fat and other things out of the hospital. So it begs the question then, How are we going to now take \$20 million out . . . and if I am reading some of the information [correctly], \$20 million this year and \$20 million next year and \$20 million . . . I have heard \$60 million. That is a lot of money if BHB did what they were supposed to have done, which is to have a strategic plan to bring these costs down.

The second thing that I have to ask the Minister, because she said it, is the fact that if after that (we are talking about bending the cost curve) . . . I agree that by taking some of this out [it] would bend the cost curve. But, it has to be realistic and sustainable. And that is why I think everybody is waiting on the health system financing reform. And I wondered if the Minister can give us some indication as to how soon we would see the health system financing reform and, also, whether there is going to be any delay in the . . . when will we have the numbers for the Standard Health Benefit for 2019?

Because normally it would be April 1<sup>st</sup>, but that is only a couple of days away, and I haven't seen anything. So I just think that this brings it all together. We have had lots of information out there. Bermuda wants to be able to see what the Minister is saying. And we do not want to hear different things coming out from the Health Council, albeit the Minister, we want to be able to see something that says, *This is the way the Ministry has their handle on reducing the cost of health [care] and everybody has bought into it.*

Thank you, Mr. Chairman.

**The Chairman:** Thank you, Member, from [constituency] 19.

The Chair now recognises the Minister.

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman.

Mr. Chairman, there were a number of questions that were asked and I will endeavour to answer them, starting with the most recent questions and working my way backwards.

Mr. Chairman, it is correct that the Government is committed, as we indicated in our Throne Speech, to addressing the unsustainable costs of rising health care. During negotiations with the Bermuda Hospitals Board, we were able to discuss an alternative mechanism for paying for their services. Heretofore, the services were paid for in a mechanism that we refer to as "fee for service," which throughout many jurisdictions internationally, it is recognised that this is not the most effective and efficient mechanism used for paying for hospital care.

And, as such, we are moving to a block grant for the hospital for this fiscal year. The sum that has been agreed [upon] is \$330 million. I am not sure where the Honourable Member got the information with respect to \$20 million less, \$20 million less, \$20 million less. But we have indicated that this year it will be—that is not what I said. This year it will be \$20 million we have been able to save to our health care costs. Thanks in a tall order to the Bermuda Hospitals Board under the chairmanship of Mr. William Madeiros as well as the executive officers who have worked endlessly and tirelessly with both the Bermuda Health Council as well as the Ministry of Health to be able to effect this great savings.

Mr. Chairman, there were a number of questions asked concerning the Department of Financial Assistance, as well as other heads. I will just go through those questions again in the reverse order.

There was a question that was asked concerning the Department of Financial Assistance and how clients are currently on the patient care centre. And I can indicate that there are 24 clients that are receiving that particular benefit. With respect to the question asked concerning the enhanced care pilot of HIP and FutureCare, there are currently three practices participating, outside of BHB. [There are] 70 persons [who are] BHB participants and they are HIP and FutureCare patients. There were no practices that opted out. There is a rolling enrolment so it is difficult to put a particular percentage on those exact numbers because they vary. From February 2017 to December 2017 there were 162 enrolled patients. In 2018, there have been 36 enrolled patients. With respect to participating practices, they do not have the capacity to add any more patients at this time.

Questions concerning the HIV status of those members in the community, there are currently 299 residents in Bermuda who have HIV status. HIV is a reportable condition in Bermuda under the Public Health Act 1949. The data presented in this report is based on a retrospective analysis of information collected through Bermuda's confidential HIV/AIDS reporting system. It is recognised that there is undiagnosed and/or unreported infection in Bermuda so it should be noted that this report can only provide information on the diagnosed and reported cases.

In respect to the volume of dialysis, Mr. Chairman, there are approximately 160 patients receiving dialysis treatments within the hospital and 40 of those are in the two outside practices. The growth is expected to be between 5 [per cent] to 10 per cent increase per annum.

I already did make mention of the typo that was 213 as opposed to 2,013. Also, Mr. Chairman, with respect to the outpatient versus inpatient provisions, there is an approximate 2:1 ratio of outpatient care to inpatient care currently at BHB. The majority of hospital revenue has, historically, come from outpatient services.

There was a question concerning the SPR, and at this point we are targeting no changes now to the SPR [Standard Premium Rate]. The objective is to reduce total expenses from premiums and co-pays to less than 10 per cent of the household income for those with limited resources. There is also an objective to provide a premium to all members of the public for a comprehensive set of essential benefits. I have mentioned in this honourable place that we are gathering that information now and we will be reporting on that as soon as possible. I will bring that information to both the public as well as Honourable Members as soon as that information has been obtained.

With respect to the clinics, the Department of Health . . . health centres are under [business] unit 2201, community health cost centres, and 32010 and 32060, respectively.

There was a question concerning vector control and my transition to the new care standards. The new care standards, as I indicated, were released at 2017; however, I also during the brief indicated that cost centres for environment health for the following centres all deal with licensing.

Child care standards relates specifically to the licensing of the child care providers. Those were cost centres 310170 [sic], 32270, 32170, 32172, 32173, 32175, 32180, and 32285. This is at [page] B-174. So I was speaking about all the environmental health cost centres and the licensing provisions. One of such is the licensing of the day care facilities. It is a subprogramme under cost centre 32170, Institutional Hygiene. So that is where the day care providing is, under the subcategory of that one.

Inspections are carried about by the Elder Care Team, which is comprised of various disciplines. This is with respect to the residential care homes. Whenever a complaint is received, depending on the nature of the complaint, the relevant disciplines conduct the inspection. For example, it could be a complaint of poor quality of meals; then Nutrition Services would the conduct the inspection and report to ADS [Ageing and Disability Services] within given action points and timelines to rectify the said deficiencies. The ADS inspections officer will then follow up with an unannounced visit to see if corrective actions have been carried out.

**Hon. Patricia J. Gordon-Pamplin:** Thank you. Mr. Chairman—

**Hon. Kim N. Wilson:** With respect to the efficiencies—

**Hon. Patricia J. Gordon-Pamplin:** Sorry.

**The Chairman:** Excuse me, Minister.  
Go ahead.

**Hon. Patricia J. Gordon-Pamplin:** Yes. It was just that we had a question with respect to the hospital. I realise that the Minister is scrolling through on her equipment, so before she goes too far down, we want to go back to the hospital. My colleague has a question with respect to the hospital, the comment that she made. I didn't know if it was more convenient to—

**The Chairman:** So what is it, a point of clarification?

**Hon. Patricia J. Gordon-Pamplin:** No, no, no.

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** No, just a point of intervention because the Honourable Member . . . she dealt with hospitals, and now she has moved on to something else. But she is scrolling, so rather than get way up there, and know that we need something back here, it might be more convenient if we ask the question respecting the hospital.

**The Chairman:** Well, the Minister has it in her discretion and—

*[Inaudible interjections]*

**The Chairman:** Yes.

**Hon. Jeanne J. Atherden:** Mr. Chairman, it is a point of clarification.

**The Chairman:** Minister, will you accept the point of clarification?

**Hon. Kim N. Wilson:** She is asking me to clarify? Or she—

**Hon. Jeanne J. Atherden:** I am going to—

**Hon. Kim N. Wilson:** So, a point of clarification means she is clarifying something.

**Hon. Jeanne J. Atherden:** Right.

**The Chairman:** Mm-hmm.

*[Inaudible interjections]*

**The Chairman:** Will you accept it?

**Hon. Kim N. Wilson:** Yes But, Mr. Chairman, with respect, I would prefer to go through all the answers that have come up. They will have an opportunity. We still have several hours to answer any further questions, if need be, and then I will go back to those.

*[Inaudible interjections]*

**The Chairman:** Okay. Well, you have that discretion. You may proceed.

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman.

With respect to the HIP administrative expenses, what efficiencies have been done . . . what has been arrived at to bring down the expenses? They have been negotiated with vendors to keep rates as static as possible. Automation of financial statements, and the cost of doing business increases, i.e., office supplies, maintenance, et cetera.

Mr. Chairman, the fees with respect to [page] B-175, the question concerned Lefroy House [Care

Community] and Sylvia Richardson [Care Facility], those fees totalled \$2.6 million.

There was another question concerning long-term care strategy. A long-term care strategy has been drafted with consultation with close stakeholders; however, due to resource challenges and urgent priorities, we have not been able to complete it. However, we are hopeful that we will finalise this in the coming months.

Mr. Chairman, the unique patient identifier, there were some questions concerning that. The pilot which includes 1,400-plus entries, includes 13 health system stakeholders, including services at the Hamilton Health Centre, the government services, community-based providers, insurers, as well as BHB.

Some questions did also come up concerning positions at the Health Council. We are recruiting currently for project-specific roles for data analysis and regulation support. Recruitment will also include that of the CEO.

*[Inaudible interjection]*

**Hon. Kim N. Wilson:** Yes, there were some other questions concerning how to mitigate the departmental risk of HID [Health Insurance Department] and manage the funds and achieve better management decision making. I can report, Mr. Chairman, that by doing so they will establish a risk management committee, provide that security cameras are upgraded, [implement] tightened internal controls with separation of duties, dual authorisation signatories, daily cash rejections, monthly bank reconciliations, monthly reporting to the Health Insurance Committee, as well as retrospective claims adjudications.

Mr. Chairman, there is . . . and I think the Honourable Member indicated this when she was going back through the Budget Book on page C-5, which deals with the capital for the new Lefroy project. It is expected [to be] a five-year capital project, and it is listed at page C-5, \$250,000 is the estimate for 2019/20. This is primarily budgeted for design work for this year to bring forth the concept phase to a design facility that will replace the existing facility as a new build in the Rockaway area.

*[Inaudible interjections]*

**Hon. Kim N. Wilson:** Of Southampton.

*[Inaudible interjections]*

**Hon. Kim N. Wilson:** The prior STEPS [to a Well Bermuda] survey was 2014, as opposed to 2015. The new one is being planned. [The] interviewer recruitment and training [is] beginning within the next two months and the survey is expected to be in the community by the summer.

Okay. [There were] some questions concerning dialysis figures, as well as the OCMO [Office of the Chief Medical Officer]. Under General Administration it was revised for 4,293, this was 300,000 from the Ministry of Health to the BHB dialysis for 2017/18. An estimate of \$3.930 million versus \$3.995 [million] as was stated in the brief, is \$65,000 for one employee who moved to the OCMO.

Professional services reduction consultant salaries, receipts were credited to programmes, \$1,000,860 made up of vendors, partners, maintenance and rent.

*[Inaudible interjection]*

**Hon. Kim N. Wilson:** For one employee who moved to OCMO.

With respect to grants, that was asked, in 2017/18, a \$718,000 grant was provided to the Brown-Darrell Clinic for the diagnostic imaging.

I talked about the child care.

Okay. The hospital, I will have to get that figure, but you will recall that I have said in this honourable place that it is a matter of public record that there was a transfer . . . the hospital owed money from . . . I will get that information. There was like . . . it was a transfer, but I will get that in just a few moments.

I am trying to go through this as quickly as possible, Mr. Chairman.

Okay. [Regarding] the outcome of the management consulting services review for the Department of Financial Assistance, this exercise is ongoing. The anticipated completion date is the end of April 2019. Management Consulting Services will be examining the current structure to determine if there are sufficient resources and the right type of resources. This may or not change the current staff complement. It is yet to be determined.

With respect to FutureCare claims, these were increased mostly due to the personal home care benefit and a correction in hospital dialysis claims which had previously been going into the incorrect fund.

For the administrative expense per policyholder, HID [Health Insurance Department] can report that it is calculated at approximately \$343, on average per person.

With respect to questions that were asked concerning the process to ensure day care providers are paid on a timely basis, the process, Mr. Chairman, is that day care providers, or the vendor, confirm the attendance of the children by invoice at the end of each calendar month. It is the responsibility of the vendor to ensure that their information is received correctly, accurately, and on a timely basis. The department completes four to five cheque runs a month to ensure that the payments are completed on time.

Yes, there was a question concerning the emergency contraception, which is the morning-after

pill, and there was also a question that relates to the criteria for family planning visits. The Sexual and Reproductive Health unit serves clients from 16 years of age. Clients have access to contraceptives, and female clients can access contraceptive shots. Some are administered monthly, and others are administered quarterly. The measure indicator is compiled by combining all visits to give the output measures, which are located on page B-176. Mr. Chairman, the Department of Health's clinics and client files are paper based and there [are no] electronic medical records. The actual number of clients is not available at this time without further detailed analysis. With respect to the Family Planning staff and quota question, there is one medical officer, there are two public health nurses, and one receptionist. And I have already indicated that there are 299 clients, currently, with HIV.

There was an indication that . . . about the \$200,000 reduction due to Teen Haven. I can advise that the original and revised 2018/19 bottom line of \$200,000 is the same. The budget office has relocated the money, with respect to that particular section. But it is \$200,000, which represents a reduction that was transferred to Teen Haven.

With respect to performance measures concerning the Department of Financial Assistance, I am advised that the application process is now 30 days to determine eligibility, as opposed to 10 days.

With respect to cost centre 32060, Community Health Referrals, the percentage of clients visited within 48 hours of referral was 680.

With respect to the hospital subsidy, the hospital receives the allocation in the Consolidated Fund for all subsidised persons. It does not reflect actual claims because we do not pay by claims anymore. It is for a total of all subsidised persons, and this was changed in 2017 when the hospital saw a reduction in the sum of their subsidies that they received by the value of \$25 million. And as such, we are now, like I said, converting to a block grant.

KMCC [K. Margaret Carter Centre] administrator is modifying the programme to be more specific to meet the needs based on the introduction of the client centred passports. All discontinued measures are still being covered within the new measures.

With respect to the questions concerning cost section . . . oral health, Department of [Health], Headquarters, Head 22, the Environmental Health [section] business units have seen no changes, and the expenditure with respect to forensics [which shows] a reduction of 20 per cent, is because a senior post was regraded to create a career ladder in the business units old structure [of] two seniors and an analyst, and now the new structure (which is less one) includes one senior, one analyst, and one technician.

There was another question concerning, I think, the Port [Health] workers at page B-175, and the \$757,000 for professional fees. Why did it go down? This is mainly due to the reclassification of the

new cost centre, which is the Port Health, workers professional fees [changing] to salaries once these posts were approved. So these are the port workers who will be regulating our ports, and the like, who I spoke about in the brief concerning international standards for public health.

These questions are now going back to KMCC. Accessibility assessments are conducted based on various means of referrals received from either the Department of Planning, the Corporation of Hamilton, local businesses, private residents, as well as contractors. The performance measures that related to the rest homes are included in this budget document, Mr. Chairman, for accountability to the public. However, it must be stated that there is no care home in the world that has zero bed sores, zero errors, or zero falls. This is a reality of any care setting for elders, and we continue to strive to keep the numbers as low as possible and to address issues that may arise as quickly as possible. But there is nowhere in the world where you would not see instances of falls or bed sores.

With the respect to the changes to the number of stakeholder initiatives that were collaborated on this year concerning the department of ADS [Ageing and Disability Services], as ADS was short-staffed, you will recall that I did mention that we were able to recruit, however, we do have two members who are currently on maternity leave. We did not have the resources to lead initiatives as the core focus for the year was un-stabilised in the office in software training. However, we often collaborate with relevant stakeholders on initiatives that impact the office, such as visioning workshops, pertaining to day programming for adults with disabilities, as well as a lot of collaboration with MWI [Mid-Atlantic Wellness Institute] and WindReach.

With the respect to the changes to the number of cases managed, again, this is under ADS. [The] 1:0 to 2:5 ratio is the [maximum] caseload that case managers should have based on best international practices in management standards.

At page [B-]168 of the Budget Book, the revised budget, again, with respect to the question concerning professional services. The revised budget is increased due to legal fees that were required by the CMO [Chief Medical Officer] office needing more legal support for the boards. One consultant for the personal home care programme has also been added and more service providers are required for vacant posts.

With respect to the rest home inspections, the number of inspections, that section was removed as a part measure because it is redundant now that 100 per cent receive at least two annual inspections, and more often than the two annual, if complaints are being received.

With respect to the question of the IHR [International Health Regulations] core capacities, the IHR core capacities are the minimal skills resources available at designated ports of entry in a country to be in

compliance with International Health Regulations 2005. These refer to the ability of a country's port to deal with serious public health instances for prevention and control, laboratory resources for testing for diseases, managing cases of infectious disease, as well as communicating risk to the public.

With respect to the complaints that come under HC regulation, there were eight new physician complaints that were handled in the office for this year and one lengthy inquiry occurred and is being resolved. We will reconfirm with . . . I will need to get confirmation, but it looks like there were also two dental complaints and four with respect to the allied health profession.

With respect to PATI [Public Access to Information], last year we had 17 requests from one person. They were not related to diagnostic imaging at all, and that was not any information that was provided by me.

*[Inaudible interjection]*

**Hon. Kim N. Wilson:** It was all related to child care.

This is concerning the professional registration and the revenue that is generated from that. [The year] 2018 was a one-off year for major renewal volume. This fiscal year just had physicians renewing for their annual registration. Only in the past month, which is January 2019, Allied health, which is a much larger group, as well as pharmacists, also began the renewal process.

There was also a question that was raised concerning recent communications as it relates to a moratorium on the standard premium rates . . . I'm sorry, a moratorium with respect to submitting applications for new services and providers to be covered under the SPR [standard premium rate]. If access to care is identified as an issue in the interim for essential services, then the Health Council will put out a call for specific applications if such changes do not impact the SPR. This moratorium, as has been indicated earlier, Mr. Chairman, is until we have collaborated to determine what will be included in the new Standard Health Benefit package to best address our health needs. We anticipate the new package to be discussed and redesigned over the next few months. As I indicated, Mr. Chairman, that information will be brought to the public as well as to Honourable Members.

*[Inaudible interjection]*

**Hon. Kim N. Wilson:** Matilda Smith [Rest Home] grant.

The 93 per cent performance measures is due to Matilda Smith being late with respect to the supply of certain information, and we are working with them to guide them through to ensure that they abide by Financial Instructions.

Yes, there was a question concerning the outbreaks that were investigated in 2018. There were six. Two were TB outbreaks, one was . . . I am looking at the former Minister. Ciguatera? *[sic]*

**An Hon. Member:** Chikungunya.

**Hon. Kim N. Wilson:** That one.

[Also, gastritis], influenza, and a suspected case of measles in the past two months.

The vacancies with respect to the OCMO account for the variance in the budget. Two additional posts accounts for the increased budget, concerning the OCMO.

I spoke about the Port Health. Those were questions that came up right before we took the lunch break. And I believe I have addressed as best as possible the other questions, but no doubt more questions might arise if I have missed something.

Thank you for your patience, Mr. Chairman.

**The Chairman:** You are welcome, Minister.

The Chair now recognises the Member from [constituency] 19, Ms. Atherden.

**Hon. Jeanne J. Atherden:** Thank you, Mr. Chairman.

I will just go back to two. The Minister talked about the hospital grant, this was when you were talking about the \$20 million, I tried to write down what you said the grant was going to be. So if you could just repeat that. That was when we were talking about the saving of \$20 million.

When I spoke about the point of clarification, I have the Budget Books that go back from 2016, 2017, 2018, 2019, and 2020, or whatever else, and other than this one year now where the hospitals outpatient fees are greater, every other year the inpatient is greater than the outpatient. So, I am saying that I believe the statement that you read to us was not correct. But that gets back to the question that I asked which hasn't been answered. Which is, Why is there this \$9 million, which is the revised figure for BHB in the aged?

The other question that I asked related to the Department of Health on [page] B-175. I was curious as to what the patient fees were, the revenue?

I think those are by and large the three most significant ones.

Thank you, Mr. Chairman.

**The Chairman:** Thank you, Member.

The Chair now recognises the Minister. You have the floor, Minister.

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman.

I did fail to answer that particular question with respect to page B-185. The apparent difference in the original estimate of \$2.5 million speaks to the HIV drugs that are given out by BHB. Also, with respect to the sum of \$9.7 million from the original estimate to

the revised estimate, what that will represent is us seeking a supplemental for the dialysis subsidy patients.

**Hon. Jeanne J. Atherden:** Supplementary? Sorry, I shouldn't say supplementary.

I think I asked the question about dialysis as to how many people were over 65 because that would then perhaps give a rough explanation of why we have \$9 million. Bearing in mind, as there are only so many beds down at the hospital, in terms of the dialysis unit, I was quite surprised that all of a sudden \$9 million comes into that.

**The Chairman:** Thank you, Member.

The Chair, once again, recognises the Minister of Health, Ms. Kim Wilson.

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman.

I do not have that information as to the number of individuals who are over 65 and are receiving dialysis. However, I will undertake to get that information and provide it to the Honourable Member.

*[Inaudible interjection]*

**Hon. Jeanne J. Atherden:** If I can just finish up my other question confirming the amount that you said that BHB was going to get, that was going to result in the \$20 million savings. And also, the revenue for that particular cost centre 8163.

**The Chairman:** The Minister will respond momentarily.

**Hon. Kim N. Wilson:** Modern technology is incredible!

There are 158 dialysis patients and 54 per cent are over 65 years old. With respect to the fees for legal . . . okay. There was a question concerning the Enhanced Care Pilot [programme] funds; 0.0 per cent were allocated from the MRF [Mutual Reinsurance Fund] in 2018/19; \$1.750 million were drawn down to date; \$7.15 million are left with \$6,163,065 approved to be paid to BHB for kidney related claims.

And as I have indicated previously, Mr. Chairman, the hospital, as well as the Health Council and BHB have collaborated to design an innovative solution that will repurpose our health care system into a sustainable path for future generations. In the upcoming fiscal year, the government will fund the Bermuda Hospitals Board using a streamlined payment mechanism. This will replace the current activities-based approach and move toward a payment arrangement for better support of the Board's objectives involving efficiency and maximising the quality of outcomes and access to care. Again, moving from a fee-for-service space.

The new consolidated payment method will reduce the fragmentation and allow us to prevent a forecasted \$20 million of additional spending. This savings will then be used to minimise premium increases for the Standard Health Benefit and invest in evidence-based programmes for more prevention and primary care.

Mr. Chairman, if I can add, the status quo for this is not sustainable. And without reform the health care services that we hold very dear to us will be held at risk. And although the Health Council and the Ministry have been able to curb spending growth in recent years, there is much more to be done to meet our goals of access for all, affordability, and better health outcomes. This is a huge and material difference in the amount of health care system spends, and the mechanisms for BHB fees versus the rest of the health system. Over the past 15 years, BHB's costs have increased significantly while the rest of the system has been relatively stable.

Mr. Chairman, in 2010, the National Health Accounts predicted that by 2017 health spending would reach \$1 billion, if it kept growing at its current pace. We have put a raft of measures in place to create a downward pressure on the health costs, and have successfully averted a billion dollar fiscal cliff and kept health costs around \$700 million since 2012. And Bermuda has bent the cost curve; however, we have to keep putting downward pressure. This year's actuarial work revealed that if we did not address the volume-based billing method on the Island's largest provider, health costs would increase by \$20 million, resulting in untenable premium increases. And to prevent this we collaborated with BHB, Mr. Chairman, to devise an alternative innovative way of funding its operations, moving us away from the antiquated and expensive volume-based method model. We will use this first year as an interim transition year to develop longer term solutions, such as a cap and collar funding model, and paying for performance, not just for activity.

Honourable colleagues have to understand that as a country we are standing on a burning platform and we have to make a choice whether to keep the status quo and let health care costs continue to grow out of hand, or take a leap to make the brave changes that are needed to pay for health care more efficiently. We are very lucky, Mr. Chairman, that we have a coalition of willing—the Ministry of Health, the Health Council, and BHB's most senior leaders, as well as many providers and others—partners who are fully supportive of the need to change. This will allow fiscal space to focus on health outcomes and care quality.

The BHB funding reform is the first phase of turning Bermuda into . . . the feedback received (I am sorry, Mr. Chairman). There were some comments earlier about the methodology that will be used with respect to the health financing reform. That has not

been made public yet. We are still considering the stakeholder consultation groups submissions, and the like, and again, when more information is available and the decisions have been made, that information will come to the public as well as Honourable Members. Thank you.

**The Chairman:** The Chair now recognises the Member from [constituency] 19.

**Hon. Jeanne J. Atherden:** Sorry, Mr. Chairman, and I think the Minister just gave me the opportunity to lead right in.

Yes, the Minister is talking about the fact that if nothing had been done, we would have been up to a [billion] dollars. But I think it is important to note that what the previous Government did, with respect to holding the costs down, has resulted also in the continuation of the bending curve. And in the Health Council's SnapFacts (I think it was), which was sent out, which shows bending the cost curve, you will see that a large portion of this was when we held the cost of Standard Health premiums down and that helped continue it. Thank you, Mr. Chairman.

**The Chairman:** The Chair now recognises the Member from constituency 23.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Chairman.

Mr. Chairman, when the Minister responded on patient fees, page B-175, revenue source cost centre 8163, the Honourable Member indicated—

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** This is [page] B-175, patient fees, 8163, the Honourable Member said it was \$2.6 million relating to Sylvia Richardson and Lefroy House. Can the Minister give us a breakdown [telling us] what of these fees were related to Sylvia Richardson and what of the fees were related to Lefroy House?

**The Chairman:** Does any other Member care to speak to the heads in question?

**Hon. Patricia J. Gordon-Pamplin:** Yes, I have another question.

**The Chairman:** You may proceed.

**Hon. Patricia J. Gordon-Pamplin:** Okay. Thank you.

And page B-187, we had Grants Administration, 65050, in respect of Financial Assistance. And the one thing that I had noted during my earlier question is that the Minister has not given us a breakdown of what comprises financial assistance. The reason this is important is, I think the Minister covered it by

saying, *I gave a Statement the other day*. I think that is insufficient. And I wonder if the Minister can give us some details with respect to where our \$48.3 million is likely to go in respect of Financial Assistance.

**The Chairman:** Mm-hmm.

The Chair now recognises the Opposition Leader. You have floor, sir.

**Hon. L. Craig Cannonier:** Good afternoon, Mr. Chairman.

And just my apologies, I was called to a meeting by the Finance Minister, so I slipped out of the debate and I am just getting back. I apologise if I missed one of the answers to this here.

But on [page] B-189, and shifting to Head 55, under performance measures, at the very bottom it says *to complete 700 site visits*. And I noticed that the target has averaged around 500, which leaves 200 other site visits out, not having been accomplished. I was just wondering, what is the backup plan to those other 200? Do we roll the 200 that were not visited into the next fiscal year? Do we have an approach to that? I know that these guys do a fantastic job of trying to keep up. What might help them to facilitate these 700 visits, which seems to be maintained as a performance target?

Just above there, on the same page B-189, point one, where it says, *to provide financial awards to 100 per cent of new Financial Assistance clients*. We are achieving 70 per cent, which seems to be standard. Also, point three, *to provide awards of 100 per cent to day care providers*. [This] is 80 per cent. For the differences there, I am just trying to understand a little better about how they keep up with this. So, you are talking about 30 per cent. I don't know what the 30 per cent of [what] is, whether it is a hundred new financial awards or whatever the case may be.

But knowing the situation, that many of these people are frustrated and desperate, I was just curious as to letting the public know what kind of plan there is to catch up or to get to that other 30 per cent that you are not meeting, as far as your target is concerned . . . understanding that they get frustrated.

**The Chairman:** Thank you, Opposition Leader.

**Hon. Kim N. Wilson:** Mr. Chairman, the part that I did rush through concerning the brief is . . . and I will read it, but Mr. Chairman, it was, again, emphasised in my Ministerial Statement on the 11<sup>th</sup> of February. However, as it relates to the Department of Financial Assistance, there were no policy changes this current year; however, as a result of the reform, planning and feedback captured with the various audit reports, the following proposed changes are being considered for the coming year:

- Recommendation 6—Re-examine the overseas travel policy in an attempt to reduce

abuse of the financial programme. The penalties should be more punitive. The department should have the authority to refuse future applications from individuals where it can be proven that they disregarded the rules on multiple occasions. Perhaps better known as the “three-strike rule.”

- Recommendation 8—Amend the Financial Assistance legislation to clarify the definition of a “senior” as being distinct from a person who receives a pension before the age of 65. There are instances where employers are providing the option of early retirement. In some cases, these individuals are still able to work, and should be treated as “able-bodied.”
- Recommendation 24—Amend the Financial Assistance Act 2001 to more clearly define “financial assistance” by indicating what a “minimum standard of living” actually means in terms of a basket of goods and services. The cost of living from year to year has constantly increased making this “welfare” programme difficult to sustain. Extensive research in respect to the “low income threshold” and other market data like rental and utility costs will be examined to determine where changes should occur.

Plans for the upcoming year, Mr. Chairman, relate to the following:

In keeping with the work performed by the reform group the department will undertake to complete the following:

- Recommendation 7—Conduct more frequent public awareness media activities to ensure that the community is well informed.
- Recommendation 10—Request the Attorney General’s Chambers to provide a legal opinion advising whether a person who inherits a property from a senior who has benefited from financial assistance could be statutorily required to pay back some portion of the funds to government. There has been much debate in the media in respect to this topic following its first announcement in the House in February. The department has many examples where parents convey property to their relatives without receipt of benefit. The parent is then removed from the home only to seek financial assistance. In this instance, the “reclaim” is two-fold:
  - One, where a senior conveys a property, receives no benefit of sale and then requests to be a recipient of financial assistance, the government should be able to recoup a percentage of the funds used to sustain the well-being of the senior from the inheritance.
  - Secondly, as expressly stated, if one inherits a property where the owner re-

ceived financial assistance prior to their death, a portion of sale should be provided to the government to recognise the benefit that that person received during life.

Mr. Chairman, nobody wants or intends to deprive seniors of their properties. But in the face of an ageing population and rising need for assistance, the country has to find other ways to fund the long-term care of financial assistance recipients. It is the fairest to taxpayers that seniors use their assets to fund their care, rather than the government paying and their next of kin keeping the assets.

- Recommendation 11—Review social policy in other jurisdictions to determine whether any mechanisms are in place to enable governments to recover financial benefits paid to seniors who own property.
- Recommendation 20—Financial Assistance staff will participate in extensive customer service training to improve the clients—

*[Hon. Derrick V. Burgess, Sr., Chairman]*

**The Chairman:** In the Gallery, I don’t know what you got . . . a camera there? It is not allowed in here.

*[Inaudible interjection]*

**The Chairman:** It is not allowed here. Please, put it away.

**Hon. Kim N. Wilson:** Mr. Chairman, Recommendation 20.

The department plans to work with the government nutrition team to promote a nutrient-rich shopping list. There are plans to increase the list of “forbidden” items or those goods that cannot be purchased using a food card issued by the department. Currently, the only items banned for purchase are alcohol and tobacco.

Mr. Chairman, there were a few other questions, if I can add those real quickly now?

**The Chairman:** Mm-hmm.

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman.

The enquiry targets, Why are they so high with respect to occupational safety and health? [Having] 300 accidents per year is an ambitious low aspirational target and represents less than one work place accident per day, and if one reflects on the numbers of road crashes per day, it gives it somewhat of a perspective. Is there anything else that can be done? Each work place needs to have a Safety and Health Committee that meets monthly, as per the Occupational Safety and Health Regulations 2009. It is a legal requirement and self-enforcing legislation.

Mr. Chairman, with respect to the school inspections [that were] discontinued. What is the reason? The Government's Safety and Health officer performs this role. This officer works for the Cabinet Office and is not an employee of the Department of Health. Asbestos and other inspections, such as mould, are not discontinued, but this output measure was detailed in the Budget Book, and in general, the Department of Health is moving to outcome and impact measures and will be moving away from just raw outputs.

And, Mr. Chairman, I have one more question concerning the Department of Financial Assistance figures. The Department of Financial Assistance has a team of 33. Their budget supports over 3,200 clients. The assistance is broken up in the following: 1,180 are pensioners or seniors. This is of the—

**The Chairman:** [That is] 180?

**Hon. Kim N. Wilson:** I'm sorry.

- Of the 3,200 clients, there 1,180 who are pensioners or seniors;
- 900 persons with disabilities;
- 210 are able-bodied and unemployed;
- 360 are persons with low incomes;
- and approximately 610 are on the child's day care allowance.

And as I've spoken about, there are grants in the sum of \$820,000 to five helping organisations, such as the Meals on Wheels and Salvation Army. And \$11.5 million [is for] health insurance for eligible clients who are also on financial assistance.

And, Mr. Chairman, \$5.2 million is spent on food expenses for families receiving financial assistance. [Also,] \$2.1 million pays for medication for eligible clients on financial assistance. And \$1 million is for electricity expenses for families on financial assistance.

Thank you.

**The Chairman:** Any further speakers?

The Chair recognises the Honourable Member Ms. Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Thank you. I did not hear the Minister . . . I have to say I am kind of a bit jaded at this point, but I did not hear the Minister in terms of how much of the patient fees related to Lefroy House and how much related to Sylvia Richardson? I did ask that question.

And I also have one more question that I had not asked before. And that is a query with respect to the rules relating to home care charges, for home care providers.

**The Chairman:** Rules regarding home care?

**Hon. Patricia J. Gordon-Pamplin:** Yes. The question that came up to me directly was an individual who goes to get Mrs. Smith and takes her to the hospital for her dialysis, and then she may wait with Mrs. Smith because Mrs. Smith now has to go to the pharmacy. Is that entire time eligible for that home care provider's time? Or, while Mrs. Smith is in dialysis, if that home care provider goes to do an errand in Hamilton, is that time discounted? In other words, is it specifically only the time that is spent for travel as well as, you know, just the back and forth? And is Mrs. Smith deemed to be in government care when she is doing her hospital services? That was just a question that was asked of me—

**The Chairman:** Okay.

**Hon. Patricia J. Gordon-Pamplin:** —and I would be curious to know the answer to that.

**The Chairman:** Ms. Jackson.

**Ms. Susan E. Jackson:** Yes, mine is going back to financial assistance and in particular the day care allowance, Mr. Chairman.

So, the Minister gave a Ministerial Statement, and I am referring line 65050, Grants, Administration. In particular, the child day care allowance. The Minister gave a Ministerial Statement a few weeks ago in which she outlined the number of people who are receiving the day care allowance, and how much it was on a monthly basis, which I believe was about \$850 a month. Within the Budget Book, fair enough, it is coming in at just over \$3 million a year. Based on the math that I had done on that particular day that she delivered the Ministerial Statement, it could have gone up to almost double that price.

Now, the research and the understanding that I have come to realise, Mr. Chairman, is that the government's day care allowance is having an impact on day care, driving [up] the cost of day care across the Island. And so, if government is paying a certain amount of money for day care, then all the other day cares will raise their prices accordingly. So I am wondering if the Minister and the Ministry have any strategy on how we can maintain some sort of control over that spend? Because when I did my math, based on the number she gave in the Ministerial Statement it was more like \$6 million a year. I see that it is \$3 million in the book, so I will stick with that if that is what is estimated for this year.

But at some point Government is going to have to take a look, not at the principle of it, the principle of it is amazing. People, young families, deserve to have that kind of allowance. Goodness knows we all know the struggle of the expenses of raising children.

**The Chairman:** Mm-hmm.

**Ms. Susan E. Jackson:** But I do believe that the Government has the capability to put policy in place or maybe even legislation that somehow controls the upward trend of the prices that day care centres are charging based on what Government is prepared to pay through financial assistance.

**The Chairman:** Got you.  
Any further speakers?  
Minister?

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman.

I think with respect to the last intervention with respect to whether Government would look to control what day care centres are charging, that falls a little bit outside of the remit of the Budget Book. It may have been, and I suspect it was, an area that was addressed in the financial assistance reform bipartisan committee's submissions, which that Honourable Member was a member of, but I cannot add anything to that with respect to this because it is somewhat outside of the budget purview.

However, Mr. Chairman, I am trying to seek the information that was just asked concerning a personal home care provider and whether or not they are paid to wait for an appointment with a family member. So I am hoping to get that.

Mr. Chairman, with respect to the questions that were raised concerning the output measures for—

**The Chairman:** Didn't you answer that already?

**Hon. Kim N. Wilson:** No, this is to the Opposition Leader's question.

**The Chairman:** All right. I know the Member responsible asked the same question.

*[Inaudible interjections]*

**The Chairman:** For the output measures, what is the difference of the 70 per cent and are we addressing that? I know she did ask that.

**Hon. Patricia J. Gordon-Pamplin:** I don't remember.

**The Chairman:** You did. I am very clear on that.

*[Inaudible interjections]*

**The Chairman:** But go ahead, you obviously didn't answer. That's fine.

**Hon. Kim N. Wilson:** Okay. Thank you.

So the department is currently undergoing management service . . . this is what I did answer, actually, but the Honourable Member did indicate that he was out in a meeting. The management services

review, to examine the human capital resources versus the volume of work within that department to determine if there is a need to expand or retool some of the persons who are employed there, Mr. Chairman, in the Department of Financial Assistance in particular, and they are hoping that this information will be available upon the conclusion of the financial services review which they expect will be by the end of April.

The question concerning the amounts with respect to the grants, for \$2.6 million the patient fee breakdown, \$500,000 represents Lefroy House revenue and \$2.1 [million] represents Sylvia Richardson.

With respect to the home care provider question, they are not paid for hours outside of the specific destination of a home to hospital, back and forth. The errands are not covered.

And then my final question I believe, Is the Department of Health . . . I did answer that question already.

Thank you, Mr. Chairman.

**The Chairman:** The Honourable Member Mrs. Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Yes, I did have a question earlier on page B-181, under business unit 32180, for Housing Conditions. I inquired as to whether vacation rentals were included with the health safety and hygiene standards for inspection, the percentage of tourism properties rated to be compliant. I wondered whether that was just relating to hotel properties, or whether with the proliferation of vacation rentals, whether those were also included in that.

And then, just with respect to the response that the Minister just gave in respect of Lefroy House and Sylvia Richardson. I believe there used to be a differential in the payment of government fees relating to how much the government allowed for patients who were in Lefroy House versus what they allowed for patients who were in Sylvia Richardson. Does that differential still exist? And what is the reimbursement that government gives to the clients in respect of the two properties?

**The Chairman:** Minister.

**Hon. Kim N. Wilson:** Thank you. I can say that that differential does still exist, and I will get those figures in a few moments.

Mr. Chairman, with respect to the question concerning the vacation rental properties, they are licensed hotels and guest houses. So that would be within a different purview. So it is just . . . we are not inspecting them, they are being licensed as hotel properties and guest properties.

And if the Honourable Member can stand by, I will undertake to get the . . . it is the same as it was last year, actually. But I will get that information for her.

**The Chairman:** Any further speakers?

The Chair recognises the Ms. Atherden. You have the floor.

**Hon. Jeanne J. Atherden:** Thank you, Mr. Chairman.

Mr. Chairman, through you to the Minister, this is, I think it sort of ties into [page] B-167, which is the Ageing and Disability Services. I asked the question to the Minister about where the Government stood with respect to the National Ageing Plan that was being developed. The reason being is that in there you had things like ageing at home and healthy ageing, some of the programmes which have been at least discussed, but there were other things that were part and parcel of that, so perhaps if the Minister could indicate to us where they are because that would result in funding and expenditure.

**Hon. Kim N. Wilson:** Mr. Chairman, as I indicated previously, in answer to that question, the long-term care strategy has been drafted with consultation with close stakeholders. However, due to resource challenges and urgent priorities, we have not been able to complete it.

We are hopeful that we will finalise it in the coming months.

**The Chairman:** Any further speakers?

Ms. Jackson.

**Ms. Susan E. Jackson:** Yes, I am still working on this day care allowance. I am on page C-18, Grants and Contributions, and line item 7043, Child Day Care Allowance. So, in 2017/18 the actual was about \$2.2 million and it was bumped up at the end of the year, beginning of 2018/19 to \$3.4 [million]. So, even if we are just looking at these two years, we are looking at an increase of over a million dollars, and it does not say in the Budget Book at all how many people or how many individual allowances that cost is going to be . . . or how many allowances are included in that total cost. I am wondering if the Minister can tell me for this year, for this year's estimate of \$3.4 million, how many individuals will be—

**The Chairman:** Benefitting from that?

**Ms. Susan E. Jackson:** —benefit from that. Thank you, Mr. Chairman.

**The Chairman:** I thought she said 610.

**Ms. Susan E. Jackson:** [She said] 610? Thank you.

**The Chairman:** Any further questions?

Ms. Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Yes, thank you, Mr. Chairman.

I did have one other question that the Minister did not respond to and that is on page B-184 with respect to hospitals. The Minister indicated that she would undertake to find out how much the BHB received from the DI [diagnostic imaging] differential, between the reimbursement on diagnostic imaging. She said she would get it for me. But the question then followed from that, With the diagnostic imaging reimbursements, the operating room [OR] fees were adjusted to balance the BHB—

**The Chairman:** Page B-184?

**Hon. Patricia J. Gordon-Pamplin:** Yes, [page] B-184 with respect to hospitals.

**The Chairman:** Okay.

**Hon. Patricia J. Gordon-Pamplin:** And this was the hospital had received some money on diagnostic imaging, and I wondered how much. The Minister undertook to get me the number. And the question also begged, With that reimbursement, at the time the reimbursement level was set, the OR fees were adjusted so that the hospital was not hard done by.

**The Chairman:** Wouldn't lose any money.

**Hon. Patricia J. Gordon-Pamplin:** The question I had was, Did the hospital advise the Minister when preparing for the grant that they needed to cover their costs, that they had actually received an uptick in OR fees because they were getting less in diagnostic imaging reimbursements?

**The Chairman:** Got it. Right.

**Hon. Patricia J. Gordon-Pamplin:** So they should not have had as quite as high a net expenditure. And I am just wondering if that had been considered by the hospital or advised by the hospital to the Minister.

**The Chairman:** Any further speakers?  
Minister.

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman.

Mr. Chairman, with respect to the questions that just came out, Lefroy House charges \$1,350 per month. Sylvia Richardson charges \$5,000 per month.

And with respect to the transfer of the health visitors from community health to child health, the health visitors are advanced practice nurses that work with expectant and new mothers and their infants to assure the vulnerable dyad, which is the mother and baby together, is protected and supported to assure the healthiest start in life. Health visitors assure a healthy environment, help to guard against postpartum depression, and promote breast feeding. The health visitors are better aligned with the work of child

health and they respect the life course public health approach.

Mr. Chairman, with respect to the other question concerning diagnostic imaging, the total offset is estimated at \$3,167,619, and that represents the period of the 1<sup>st</sup> of June 2017 to the 31<sup>st</sup> of October 2018.

**The Chairman:** Any further speakers?

There appears to be none.

Minister, do you want to move your heads?

**Hon. Kim N. Wilson:** Yes, Mr. Chairman, I move that Heads 21, 22, 24, 55, and 91 be approved as printed.

**The Chairman:** It has been moved that Heads 21, 22, 24, 55, and 91 be approved.

Are there any objections to that?

There appear to be none.

Approved.

*[Motion carried: The Ministry of Health, Heads 21, 22, 24, 55 and 91 were approved and stand part of the Estimates of Revenue and Expenditure for the year 2019/20.]*

**Hon. Kim N. Wilson:** Mr. Chairman, I move that the Committee do rise and report progress, and ask for leave to sit again.

**The Chairman:** Are there any objections to that motion? There appear to be none.

*[Motion carried: The Committee of Supply agreed to rise and report progress, and sought leave to sit again.]*

**House resumed at 6:22 pm**

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

## REPORT OF COMMITTEE

### ESTIMATES OF REVENUE AND EXPENDITURE FOR THE YEAR 2019/20

**The Speaker:** Good afternoon, Members.

Are there objections to the Committee rising and reporting progress?

There are none.

We will now move on to the other Orders of the Day. I believe . . . Junior Minister, are you going to . . . okay.

*[Inaudible interjections]*

**The Speaker:** Yes, Junior Minister. Yes.

Junior Minister, are you going to move?

The next item is [Order] No. 3 . . . is it?

**An Hon. Member:** Three.

**The Speaker:** Three, yes.

*[Inaudible interjection]*

**The Speaker:** [Order No.] 3 is being carried over.

*[Inaudible interjection]*

**The Speaker:** Land Tax.

**An Hon. Member:** Yes, it is being carried over.

**The Speaker:** Okay. Which item were you going to do today?

*[Inaudible interjections]*

**The Speaker:** [Order No.] 4 and [Order No.] 5. Okay.

Order No. 4 is Financial Services Tax Amendment Act 2019. Junior Minister of Finance, you have the floor.

## BILL

### SECOND READING

#### FINANCIAL SERVICES TAX AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** Mr. Speaker, the Government wishes that this Honourable House [would give] consideration to the Bill entitled Financial Services Tax Amendment Act 2019.

This Bill provides for revenue-raising measures in support of Government's 2019/20 budget, but also exempts insurance policies taken out by Government from the tax. In the 2017/18 budget, in an effort to broaden the tax base, the former Government enacted the [Financial Services Tax Act 2017](#). This legislation introduced a Financial Services Tax [FST] on insurance premiums, excluding health, money transactions, or for money service business and bank assets.

Mr. Speaker, when applied to banks, the tax was calculated at 0.005 per cent of the assets. The tax, as applied to local insurance companies, was a tax on gross premiums earned, excluding premiums from health insurance. The rate of tax was set at 2.5 per cent of non-health related gross premiums. Finally, the rate of tax for the money service business was 1 per cent on their aggregate outgoing transmission volume. When the former Government introduced FST, this tax was an obligation of the respective financial institutions. It was up to the company if they passed this tax on to their customers or not.

In 2018/19 it is estimated that government will collect a total of \$8.6 million from this tax, broken down as follows:

- \$4.1 million from bank service tax;
- \$4 million from the insurance service tax; and
- \$500,000 from monetary service business tax.

Honourable Members will recall that the Tax Reform Commission (TRC) recommended increases of Financial Services Tax on bank assets and insurance premiums. The exact recommendations were as follows: The bank fee [is] to be increased by 0.0075 [per cent], or 75 basis points. The fee on insurance premiums would be doubled from 2.5 per cent to 5.5 per cent. This increase will be the obligation of the insurer.

Mr. Speaker, in the Pre-Budget Report we announced that based on the TRC report the Government was considering increasing the Financial Services Tax on banks and insurance premiums to generate additional revenue, and that the increased fee on insurance premiums would not be the obligation of the insurer.

Following consultation, the Government will increase the tax on premiums by 1 per cent, an increase of tax on bank assets from 0.005 per cent to 0.0075 per cent of its consolidated gross assets as at the end of this tax period. The FST increases will be on the same terms as the existing FST remittance introduced by the former Government. This will yield an additional \$3.4 million in revenue.

Mr. Speaker, the Bill will also exempt insurance policies taken out by government, as it is pointless for government to be increasing its insurance costs to its own taxes. Currently, government incurs 8.9 [per cent] in insurance costs, so it will save approximately \$311,500 in increased rates.

I shall now give some specific examples to illustrate the impact of the tax increase. The first example relates to the impact of the proposed increase on an annual home insurance invoice of \$3,500. Of all the tax increases passed on to the customer by the insurance company, the present rate of 2.5 per cent would result in a tax amount of \$87.50. With the proposed increase to 3.5 per cent, the tax will be \$120.50. The total payment for the home insurance policy of \$3,500, if all the tax was passed on, it would rise from \$3,587.50 to \$3,622.50. The overall increase to \$35.00, or 98 . . . sorry. It is \$35.00.

The second example relates to the impact of the proposed increase on an annual property insurance policy for a business with a premium of \$100,000. If all the tax increases were passed on to the business by the insurance company, the present rate of 2.5 per cent will result in a tax amount of \$2,500. With the proposed increase to 3.5 per cent, the tax would be \$3,500. The total payment for the property insurance policy of \$100,000, if all the taxes

were passed on, it would rise from \$102,000 to \$103,000. The overall increase is \$1,000.

In the existing climate of low overall inflation pressure, . . . With these introductory remarks, Mr. Speaker, I now read for the second time the Bill entitled Financial Services Tax Amendment Act 2019.

Thank you, Mr. Speaker.

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

Does any Honourable Member wish to speak?

I recognise the Honourable Member Pearman. Honourable Member, you have the floor.

**Mr. Scott Pearman:** Thank you, Mr. Speaker.

At the invitation of the Honourable Member, Mrs. Gordon-Pamplin, our speaker on Finance, she has invited me to speak first on this in the debate. Just a few points, really.

We have spoken at length in the Reply [to the Throne Speech] about the regrettable fact that these existing taxes are being increased, but I think for the benefit of the listening public it does help to drill down on what this tax increase is.

The Financial Services Tax, as the Junior Minister explained, is a quarterly tax in respect of banks on consolidated gross assets. The tax is increasing from 0.005 per cent to 0.0075 per cent, and so that is an increase in the existing Financial Services Tax of some 50 per cent. In respect of domestic insurers, the existing quarterly tax percentage is 2.5 per cent, which is increasing to 3.5 per cent on gross premiums, again, a quarterly tax. That is a 40 per cent increase on tax.

The question, of course, that this begs is who will these tax increases be passed along to by the banks and the domestic insurers? The Junior Minister answered that question by referencing himself to the Tax [Reform] Commission report. If I may, Mr. Speaker, just read from the [Tax Reform Commission report](#) at page 26.

**The Speaker:** Go ahead.

**Mr. Scott Pearman:** It says this, illuminatingly: “Bermuda’s financial services sector can effectively charge whatever rates they wish, since the sector’s pricing is not regulated.”

And so those charges will, in all likelihood, be passed on to the consumer. I mention this because the tax will be passed on like any other cost of business. So, for example, taking the premiums in the insurance sector, they have carved out health insurance and annuities, but your car, your bike insurance, will be going up.

So, we would simply say on this very short amendment, that it is an increase in taxes which will make the cost of living in Bermuda more expensive.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to speak?

We recognise the Honourable Member Gordon-Pamplin. You have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, my honourable colleague has underscored the challenges that we have with this legislation. We recognise that the Government needs money, but nowhere have we seen that there has been any attempt to harness the cost of operating such that they do not need to go after the taxpayer to get more money. That has been the lament that we have expressed, both during . . . basically, during everything that the Government has done. Certainly, through the budget—

*[Inaudible interjections]*

**The Speaker:** Members! Members!

*[Inaudible interjections]*

**The Speaker:** Members!

**Hon. Patricia J. Gordon-Pamplin:** Certainly, through the budget delivery, as well as in the Budget Reply.

Our concern, Mr. Speaker, is the fact that notwithstanding the Government has indicated that certainly some of these taxes are going to be the responsibility of the corporation, the business, that in the absence of controls and regulations that would dictate and control the amount by which a company can pass on to its insurance, there is nothing to stop a company from increasing its rates and thereby through the mathematics of it, recouping the additional money that they are required to pay. And what that does is effectively pass on an increased cost of doing business to the average person in the street.

The Members would have the public believe that we are doing nothing but scaremongering. But the reality is the cost of licensing your car, the cost of licensing your cycle, is going to increase. And I think that to the extent that the average person is able to appreciate that, they have done that.

This is a tax increase that has inured to the charge of the average person in the street who, with other taxes that have been meted upon us, can sometimes ill afford any increases. We saw it; we complained about it when we debated the budget. We complained about it in the Budget Reply, and we are now solidifying that complaint with respect to the legislation that is before us.

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** This will do nothing more—

**The Speaker:** Members, Members!

**Hon. Patricia J. Gordon-Pamplin:** —than increase the cost of the average everyday person's expenses.

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** Now, many people—

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** —many people—

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** —many people—

**The Speaker:** Speak to me, Madam.

Members, just let this one Member have the floor, please.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Many people, Mr. Speaker, are struggling. Many of them have to get to work—

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** —and what we have heard about—

**An Hon. Member:** It's a little late.

**The Speaker:** Members, it doesn't need a chorus back there. I think you may need to leave the Chamber if you can't speak to yourself without me hearing you, because you should not be speaking to anybody else.

Thank you.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, many people need transportation to get to work. And I am going to specifically focus on the cost of insurance in relation to vehicles. Many people require their vehicles to get to work. And in so doing, they do not have any choice but to ensure that the motor vehicle is properly insured and [the taxes are paid], as far as the government is concerned, to make sure that they have their tax sticker. And this is going to cost them more.

And for those people who are struggling, many of whom we have heard are operating already below the poverty line, many of whom we are looking at knowing how difficult it is to try and have a job and

keep a job. Many of them are working at prices that are less than stellar, in terms of what we would want, as we have heard based on the Committee that we had for a living wage. And if we start on the one hand to say that we have got to improve the standard and cost of living, and then on the other hand we put in place a tax that we say the company is going to pay for, but that we *know* in reality the company will pass on to the consumer, then I wonder whether we are not putting the cart before the horse.

Should we not be looking at legislation that effectively controls certain costs and then put this legislation in effect? Or, should we be looking at how we can curtail the amount of taxes that have to be gouged out of our taxpayers in order to meet the burgeoning cost of government? And nobody wants to address that. The minute we open our mouths concerning it, it is like we are, you know, the sky is falling. But that is not the reason, Mr. Speaker. The challenge that we have, the concern that we have is the fact that people are finding themselves in situations where they just cannot make ends meet and this Financial Services Tax Amendment Act is going to exacerbate that situation for a lot of our ordinary citizens.

Thank you, Mr. Speaker.

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

Does any other Member wish to speak?

I recognise the Minister of Tourism. Minister, you have the floor.

**Hon. Zane J. S. De Silva:** Thank you, Mr. Speaker.

Mr. Speaker, it is interesting. When you hear Members opposite, and in particular the Member who just took her seat—

**An Hon. Member:** Yes.

*[Inaudible interjections]*

**The Speaker:** Now, speak to Chair now. Speak to the Chair.

**Hon. Zane J. S. De Silva:** The Honourable Member. Yes.

Because, Mr. Speaker, when I hear the Opposition talk about people struggling, and then in the same breath the Honourable Member says, *gouging taxes* . . . now those are pretty interesting words, coming from that side of the House, Mr. Speaker. These are the same folks who doubled our debt in three years. The same folk who told our seniors that *money doesn't grow on trees*.

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** The same that said, *We are going to shut down Lamb Foggo Clinic*. Right? The same folk who said, *There will be no more mam-*

*mograms for our people*. And they hung bras up on Cabinet Office.

**An Hon. Member:** Yes.

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** It is the same people who cut scholarships for the very people she says are struggling.

**An Hon. Member:** Same people!

**Hon. Zane J. S. De Silva:** The same people who she just talked about, people who ride the transportation in the country because they are struggling, they [OBA] did not put any money into buses for five years. But found \$100 million for a sail boat race!

*[Inaudible interjections]*

**An Hon. Member:** Hypocrisy!

**Hon. Zane J. S. De Silva:** You see? That is what we have to listen to in this House. People cannot make ends meet.

*[Inaudible interjections]*

**The Speaker:** Okay, Members. I just need to hear one voice.

**Hon. Zane J. S. De Silva:** Mr. Speaker, this is the same Opposition that turned water off for residents up in Dockyard, residents that needed water that had dialysis issues.

**An Hon. Member:** Yes.

**Hon. Zane J. S. De Silva:** Putting people's lives at risk. But you want to come [here] a year and a half after we won the Government and talk about how you are worried about the people who are struggling in this country.

**An Hon. Member:** That is the hypocrisy!

**Hon. Zane J. S. De Silva:** The same people who you promised 2,000 jobs for and lost 2,000!

You tell the people of the country, *Well, you know what? We are the brains of the country. We are going to borrow \$800 million right now so we won't have to borrow any money for three years*. And a year and a half later, what happens? They borrow another \$150 [million] because the \$800 [million] was gone.

**Some Hon. Members:** Yes!

**Hon. Zane J. S. De Silva:** The same Government, the same Opposition that backs Morgan's Point for \$160 million, the debt is in default, and you do not tell the people of the country—\$160 million! Yes; that the taxpayers—the very people who they say are struggling—are going to have to pay for.

And, Mr. Speaker, do we like to raise taxes? Hell, no!

**An Hon. Member:** Absolutely not!

**Hon. Zane J. S. De Silva:** We know, Mr. Speaker, that raising taxes in the country is not good for the economy. No country in the world is going to tax themselves out of any debt whatsoever. It does not work like that.

But when we try to bring companies and new business to the Island to generate work for the people who are struggling, to generate foreign exchange for the country, what happens? We get all sorts of accusation about, *Oh, we have some doubts about those companies. You know, it has more red flags than South Shore when a hurricane is coming.* You know, that is the type of thing . . . that is what we get from that side.

**An Hon. Member:** Yes.

**Hon. Zane J. S. De Silva:** And then they will tell you, *Well, let's all work together. Let's all work together.*

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** So here we are. We are Government; they are Opposition. And I guess that is what we are going to get for the next couple of years. *The sky is falling. Lights are going to go out.* We heard all those stories. *You people can't run a country!*

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** Pardon? And we are showing it—

**The Speaker:** Speak, speak to the Chair. Speak to the Chair. Speak to the Chair.

**Hon. Zane J. S. De Silva:** —the Honourable Member says.

**The Speaker:** Speak to the Chair.

**Hon. Zane J. S. De Silva:** But that is what they say,—

**The Speaker:** Speak to the Chair.

**Hon. Zane J. S. De Silva:** —*You people* (and we know what they are saying), *You people can't run a*

*country.* Even though we doubled our GDP from 1998 to 2008.

**An Hon. Member:** Yes.

**Hon. Zane J. S. De Silva:** Highest in our history for that period of time, Mr. Speaker. And let me say this. Anyone who had a business, whether you were selling toothpicks, or whether you were selling insurance, everybody that owned a business in this country from 1998 to 2008 made money. Some of them, like they have never made before.

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** Yes, I would know. Yes, I would know. I speak from a position of authority.

**An Hon. Member:** And honesty.

**Hon. Zane J. S. De Silva:** And honesty. I did not deny it.

**An Hon. Member:** Without apology.

**Hon. Zane J. S. De Silva:** And without apology, too. Thank you very much.

But, Mr. Speaker, let me say. We will have to raise taxes from time to time. But let's not forget that for the first time in 17 years, what do we have?

**An Hon. Member:** A balanced budget.

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** First time in 17 years! And what else do we have for the first time in about, since 2002? We have a surplus.

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** And of course, the Honourable Member, Mr. Pearman—

**Mr. Scott Pearman:** Point of order, Mr. Speaker.

**The Speaker:** Point of order.

#### POINT OF ORDER

*[Misleading]*

**Mr. Scott Pearman:** The honourable gentleman is misleading the House. The PLP do not have a budget surplus. They have a predicted budget surplus. We will see what happens when they come home to roost.

*[Inaudible interjections]*

*[Gavel]*

**Hon. Zane J. S. De Silva:** You see, Mr. Speaker, therein lies the attitude. That Honourable Member says, *Oh, no, that's an estimate*. But as I said during the budget, if we would have predicted that we would have a \$70 million loss, they would have said, *Oh, yes! It's in concrete*.

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** Oh, yes! But how about . . . where was that Honourable Member when Bob Richards was predicting to balance the budget in three years?

**Some Hon. Members:** Crystal ball!

**Hon. Zane J. S. De Silva:** Never happened! Never happened! But you see, that is what they do. Point of order. We predicted a \$7 million surplus. But has anyone else predicted a surplus in the last 10 years?

**An Hon. Member:** No, sir!

**Hon. Zane J. S. De Silva:** Let's ask the Honourable Member that!

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** No. All we have heard about is . . . Oh, no. Wait a minute. We did have a prediction from Mr. Bob Richards, the former Finance Minister. He said that he would balance the budget in three years. Borrowed \$960 million in three and a half years . . . \$100 million for the boat race.

*[Inaudible interjections]*

**Hon. Zane J. S. De Silva:** But you see, Mr. Speaker, that is what we deal with. So, when Members opposite get up and try to diss anything that this Government does, we will defend—

**An Hon. Member:** Absolutely!

**Hon. Zane J. S. De Silva:** —not only what we are doing, but what we are going to do. Thank you, Mr. Speaker.

**The Speaker:** Thank you, Honourable Member.  
Does any other Honourable Member . . . I recognise the Honourable Member from constituency 19. Honourable Member, you have the floor.

**Hon. Jeanne J. Atherden:** Thank you, Mr. Speaker.  
Mr. Speaker, I think that we have to start recognising that if we do not raise the concerns that the constituents have out there, then we are not doing our job. I am sure the Opposition *[sic]* Members will remember when they were in Opposition—

*[Inaudible interjections]*

**Hon. Jeanne J. Atherden:** —I am sure the Government Members when they were—

*[Inaudible interjections]*

**The Speaker:** Members, she is speaking to the Chair.

**Hon. Zane J. S. De Silva:** —in Opposition will remember how vigorously they talked about the concerns that their constituents had. I do not believe that it is necessary for us to shout and to start getting into issues—

**An Hon. Member:** It's not Sunday School.

**Hon. Jeanne J. Atherden:** The public wants us to see us up here talking about their issues, and they want to us respecting—

*[Inaudible interjections]*

**The Speaker:** Members!

**Hon. Jeanne J. Atherden:** And they want to see us respecting the concerns that they have.

And I think that as we go forward it is important to recognise that these taxes will have an impact. And if we do not say that clearly . . . I am not saying that the Government does not the right to raise taxes. But I think also we have to recognise that governments raise taxes because they need revenues to take care of programmes. And if the Government delivers on their programmes, then the constituents should be very happy. But in the meantime, if the Government did not have as big a size of government, it would not need as much revenue. Thank you, Mr. Speaker.

*[Inaudible interjections]*

**The Speaker:** Thank you, Honourable Member.  
Does any other Honourable Member wish to speak?  
Any other Member?  
I see—

**Hon. Michael J. Scott:** Mr. Speaker, Mr. Speaker, my—

**The Speaker:** Thank you, Honourable Member from constituency 36.

**Hon. Michael J. Scott:** Mr. Speaker, we are looking at the Financial Services Tax Amendment Bill, a simple item to increase the rate of tax payable by banks, domestic insurers, as indicated.

Mr. Speaker, I recall that the Junior Minister, who is piloting this Bill, indicated to this House during the Budget Debate that the taxes raised and addressed by the Finance Minister on that day, were the most progressive tax platforms we have had in a long time. When you tax banks and insurance companies, and those who are able to pay, that is called progressive taxation.

And yet, I cannot imagine how the Finance spokesman for the Opposition today, Ms. Gordon-Pamplin, or any Member of the other side, can characterise a debate on yet another example of progressive taxation against those who are most able to pay, as gouging. It is so disingenuous. It is . . . it lacks genuineness. It lacks truthfulness. It is an obvious attempt to score some kind of point, but it does not make any sense, Mr. Speaker. And if this is going to be the beginning of the financial Bills that we are going to be dealing with during the budget, then this is not going to be a very informative exercise that we are having.

The honourable former Leader of the Opposition, Ms. Atherden, is correct. The people do wish for the Opposition, and all Members of this House, to raise their concerns. But what I recall when we addressed and had the national budget presented in this House by the Finance Minister, the Honourable Curtis Dickinson, the deadly silence into which he cast this entire House, but in particular the Opposition, because the budget was so wise. The budget was so full of integrity. The budget was so fair. And not once did I hear any allegation, any criticisms of it, Mr. Speaker, [saying it was] engaging in gouging. And so clearly, this is just political brinkmanship and attempts to try what Oppositions must do.

But I really stood to underscore the point that this Bill, taxing those who are most able to pay, is progressive. And I wonder if we could keep the debate focused upon these kinds of concepts, Mr. Speaker, because that is where this financial services item resides. And it is consistent with the model in line and length that was adopted by the new Finance Minister, Mr. Dickinson, when shaping this budget. It was based on listening to the very people who the Honourable former Opposition Leader, Ms. Atherden, says that we should be listening to. It was founded upon the consultation with them and, therefore, we have not made the error of raising concerns in this item that requires statements about gouging. As a matter of fact, there ought to be some celebration that those who are most able to pay this tax are the precise candidates for taxation.

So let us proceed. There are other financial items (without anticipating debates) that we will get through. This is a good one and it is consistent with the theme established in the national budget debate to begin with. A good budget, a fair budget, a budget that was based on good consultation and reflected the sensitivity of this Government through the statements

contained in the national budget by the Finance Minister. And he promises reforms, which we are all looking forward to.

I now hand the matter over to the Junior Minister.

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

Does any other Honourable Member wish to speak?

No other Member?

Junior Minister.

**Hon. Wayne L. Furbert:** Thank you, Mr. Speaker.

Mr. Speaker, I find it ironic. We are talking about raising certain taxes which *they* put in place. The Financial Services Tax was put in place by the One Bermuda Alliance. As a matter of fact, Mr. Speaker, at least this Government consulted with these industries this year. And, Mr. Speaker, if you recall, they raised that particular tax on banks, services tax. That tax at that time was point . . . or 50 basis points—50, Mr. Speaker. We have increased it by 25. Half of what they had. Half of what they had, Mr. Speaker.

*[Inaudible interjections]*

**Hon. Wayne L. Furbert:** Well, you did 50; we did 25. That is half.

Mr. Speaker, they did 50 basis points and we raised it by 25 basis points. It is half of what they originally raised it by. I understand the Honourable Member, Trevor Moniz, is a lawyer and does not understand those numbers. But 25 is half of 50.

Mr. Speaker—

**The Speaker:** Yes.

**Hon. Wayne L. Furbert:** —I find it ironic that the Honourable Member Jeanne Atherden, because she and I were both on the Tax Reform Committee.

**The Speaker:** Mm-hmm.

**Hon. Wayne L. Furbert:** We had suggested that the tax on bank fees be increased by . . . to 75 basis points—75—much higher! Much higher than what this Government has brought forward. We suggested that the insurance premium [tax] increase from 2.5 [per cent] to 5 per cent. Much higher than what this Government is bringing forward to this Honourable House.

Mr. Speaker, it shows that this Government has at least listened and cares about what is happening out there. So I find it ironic, as I said, Mr. Speaker, that the Honourable Member on that side, who speaks for Finance, the Honourable Member from Paget, would have the nerve to come to this House and tell us that a tax that they included, that they brought forward to this House (and ours is much lower than what

they suggested), is not in keeping with [the] cost of living.

Mr. Speaker, we all know that we have to raise taxes from time to time. We did not raise payroll tax, something that they would have done enormously. They would have had large increases to get the numbers that they wanted. There was no way of getting around it. We have listened to the country and said we [will] not put rental tax in place.

Well, Mr. Speaker, we had to find some taxes from somewhere. This here goes after the banks. And let me just say one short thing to you. You do not need an increase from this House for any banks to increase their service charges. They increase it every five minutes.

*[Inaudible interjections]*

**Hon. Wayne L. Furbert:** As a matter of fact, the Honourable Member Jeanne Atherden, which I understand is on one of the bank's boards, I understand it, maybe I am wrong. She should have declared her interest, when she first stood up.

*[Inaudible interjections]*

**Hon. Wayne L. Furbert:** So, Mr. Speaker, what I am talking about is this. We do not need this Honourable House to bring fee increases on the banks for them to increase their bank charges to Bermudians. They do it every five minutes.

**The Speaker:** Mm-hmm.

**Hon. Wayne L. Furbert:** And their numbers are enormous. I saw some numbers today from a particular bank, which I will not call their name. I could not believe the percentage of increase they were putting on the locals. It had nothing to do with percentage increase. It had nothing to do with it!

So, Mr. Speaker, with those remarks, I move that we go into Committee.

**The Speaker:** Mm-hmm.

Deputy, would you like to assume the Chair?

**House in Committee at 6:55 pm**

*[Hon. Derrick V. Burgess, Sr., Chairman]*

## **COMMITTEE ON BILL**

### **FINANCIAL SERVICES TAX AMENDMENT ACT 2019**

**The Chairman:** Honourable Members, we are now in Committee.

**Hon. Wayne L. Furbert:** Mr. Chairman, the [Financial Services Tax \[Amendment Act\] 2019](#). This Bill seeks to amend the Financial Services Tax Act 2017.

**The Chairman:** Mm-hmm.

**Hon. Wayne L. Furbert:** I emphasise that year.

[It is] "the principal Act."

Clause 1 is self-explanatory.

Clause 2 amends section 2 of the principal Act—

**The Chairman:** Hold on one second.

**Hon. Wayne L. Furbert:** Sorry.

**The Chairman:** What . . . are you going to move all the clauses?

**Hon. Wayne L. Furbert:** I'm sorry. I'm sorry, we will move all the clauses unless anyone needs me to stop.

**The Chairman:** [Clauses] 1 through 4?

**Hon. Wayne L. Furbert:** Move all the clauses.

**The Chairman:** No objection?

Continue.

**Hon. Wayne L. Furbert:** Clause 2 amends section 2 of the principal Act to insert the definition of "Government insurance" as meaning insurance policies taken out by a government department. Let me make that a little more clear.

Clause 3 amends section 4 of the principal Act to increase the rate of tax payable by banks and by domestic insurers, as indicated. In addition to the exemption for health insurance and annuities, insurance policies taken out by a government department will not be included in the taxable gross premiums written in a tax period for the purposes of calculating the tax payable by an insurer.

Clause 4 provides for commencement.

It is noted that [clause 4(1)] section 3(b) which provides for the increase in the tax for insurance premiums, comes into operation on May 1<sup>st</sup>, 2019. This delay was made after consulting with the insurance companies—after *consulting* with the insurance companies—who advised that all their April renewals had already been sent out.

Thank you, Mr. Chairman.

**The Chairman:** Any further speakers?

The Chair recognises the Honourable Member Pat Gordon-Pamplin. You have the floor, Honourable Member.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Chairman.

Mr. Chairman, I just wonder if the Minister could confirm for us how they intend to ensure that the increase that is intended for the insurer is not passed on to the consumer.

**The Chairman:** Any further speakers?  
Minister? Junior Minister Furbert.

**Hon. Wayne L. Furbert:** Thank you, Mr. Chairman.  
We cannot ensure that. We are following the same guidelines that you did in 2017.

**The Chairman:** Any further speakers?  
There appear to be none.  
Minister.

**Hon. Wayne L. Furbert:** Thank you, Mr. Chairman.  
I move that this House—

**The Chairman:** You want to move clauses.

**Hon. Wayne L. Furbert:** I move clauses 1 through 4.

**The Chairman:** [Clauses] 1, 2, 3 and 4.

**Hon. Wayne L. Furbert:** Yes.

**The Chairman:** It has been moved that clauses 1, 2, 3 and 4 be approved.  
Are there any objections to that?  
There appear to be none.  
Approved.

*[Motion carried: Clauses 1 through 4 passed.]*

**The Chairman:** The preamble.

**Hon. Wayne L. Furbert:** [I move] the preamble.

**The Chairman:** It has been moved that the preamble be approved.  
Any objections to that?  
Approved.  
The Bill will be reported to the House.

*[Motion carried: The Financial Services Tax Amendment Act 2019 was considered by a Committee of the whole House and passed without amendment.]*

**House resumed at 6:58 pm**

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

## REPORT OF COMMITTEE

### FINANCIAL SERVICES TAX AMENDMENT ACT 2019

**The Speaker:** Members, are there any objections to the Financial Services Tax Amendment Act 2019 being reported to the House as printed?

No objections?

So moved.

That now takes us on to the next item on the Order Paper, which is [Order] No. 5, the second reading of the Foreign Currency Purchase Tax Amendment Act 2019. And Junior Minister, you will lead this?

**Hon. Wayne L. Furbert:** Yes. Thank you, Mr. Speaker.

**The Speaker:** Junior Minister, you have the floor.

## BILL

### SECOND READING

#### FOREIGN CURRENCY PURCHASE TAX AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** Mr. Speaker, with the Governor's recommendation I move that this Bill entitled the Foreign Currency Purchase Tax Amendment Act 2019 be now read for a second time.

**The Speaker:** Any objections to that?  
No objections.  
Continue on.

**Hon. Wayne L. Furbert:** Mr. Speaker, the Bill now before the House is the [Foreign Currency Purchase Tax Amendment Act 2019](#). The purpose of the Bill is to amend the First Schedule of the [Foreign Currency Purchase Tax Act 1975](#), which I shall refer to as "the Act."

Mr. Speaker, the Act provides that taxes are to be paid on or on behalf of persons who purchase foreign currency from banks and similar financial institutions. The rate of taxes set out in the First Schedule to the Act and the current rate is 1.0 per cent. The last time the rate was increased was in 2010 when it was raised from 0.05 per cent to the current rate of 1.0 per cent. The kinds of transactions that are caught by the Act include purchase of foreign currency for travel overseas

The kinds of transactions that are caught by the Act include purchase of foreign currency for travel overseas, purchase of imported goods and services by traders, and this is also purchases by consumers through catalogues and by way of the Internet.

Persons will also notice a charge when they pay on or pay off their credit card balances. Mr. Speaker, the Act does provide for exemptions from the tax on certain transactions. The list of exemption transactions [are] set out in the Second Schedule of the Act. For the convenience of the Honourable Members, I shall recite those transactions that are exempt

from tax. A transaction by any of the following bodies are free of the tax; namely:

- the Government;
- the Bermuda Monetary Authority;
- the Bermuda Housing Corporation;
- the Bermuda Hospitals Board;
- the Bermuda Tourism Authority;
- the Bermuda Deposit Insurance Corporation;
- a bank;
- a deposit company;
- a credit union;
- a trust company.

In addition to the entities just mentioned, remittances of premium income by local insurance companies, or non-resident insurance undertakings, and pensions contributed by local pensions, are not subject to the tax.

Mr. Speaker, the main purpose of the Bill is to raise additional revenue; indeed, while the community would prefer that taxes not be increased, it is important that all parties assist in the road to fiscal consolidation driven by a sense of shared sacrifice. There is no question that the demand for government services is increasing along with the pressing requirements to reduce the deficit. The proposed change in this rate will assist to provide some additional revenue that is required to satisfy the expanding public needs of our community and reduce the deficit.

Mr. Speaker, I wish to comment briefly on the scale of the increase before the Bill is committed. The rate of taxes is being increased by 25 per cent. However, due to the small base of the tax, the impact is not unduly large in effect. It does not mean that the price of goods and services will go up 25 per cent.

In the case of the proposed increase of foreign currency purchase tax, the overall impact of the cost of the import of goods is an increase of 0.25 per cent. I shall now give some examples that illustrate the impact of the tax increase.

The first example relates to impact of the proposed increase on a grocery bill of \$300. If all the goods have been imported, the present rate of 1.0 per cent would result in a tax amount of \$3.00. With the proposed increase to 1.25 per cent, the tax would mean that the person who bought some groceries for \$300.00 would pay \$3.75 [tax]. The total payment for the purchase of the \$300.00 worth of groceries, excluding any other elements of cost, would rise from \$303.00 to \$303.75. The overall increase is 75 per cent, no . . . sorry, it is seventy-five cents.

The second example relates to the impact of the proposed increase on a credit card payment of \$1,000.00. At the present rate of 1.0 per cent, the tax amount is \$10.00. The proposed increase of 1.25 per cent, the tax will be \$12.50. The total payment for the purchase of the \$1,000.00 of foreign currency, excluding any other elements of cost, rises from \$1,010.00 to \$1,012.50.

The third example relates to the impact of the proposed increase on a university, which I am sure I will hear [about] today, on college tuition bills and other expenses totally \$50,000 a year. The amount of tax is at the present rate of 1 per cent. It is \$500.00, making the bill \$50,500. The amount of tax that is proposed of 1.25 per cent will be \$625.00.

Mr. Speaker, other examples could be given for the retail sectors and other sectors, but the outcome will be same. I could talk about eggs, but I will not today.

Finally, the last full year for which import data is available is [2017], when imports of goods amounted to approximately \$1 billion. The existing rate of FCPT at 1 per cent would have raised the cost, including the FCPT, to \$1.096 billion. If we apply the proposed rate of 1.25 per cent to the 2017 import bill, it raises it to \$1.099 billion. The percentage difference of impact on total import of goods between the old tax and the proposed tax is 0.25 per cent. The proposed new rate does not increase the cost of imported goods and services by 25 per cent. The impact is neither exorbitant nor inflationary in the existing climate where the headline rate for the consumer price is 1.4 per cent. The yield from the tax will be roughly \$26.1 million for this financial year. In the existing climate of low overall inflation pressure, a 0.25 per cent change on the cost of goods and services, assuming all of it is passed on to end users, and not further inflated, is not a burden.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to speak?

We recognise the Honourable Member Pat Gordon-Pamplin, you have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

**The Speaker:** Yes.

**Hon. Patricia J. Gordon-Pamplin:** Mr. Speaker, I want to speak to Mr. and Mrs. Smith.

**The Speaker:** Well, speak to them through me then.

**Hon. Patricia J. Gordon-Pamplin:** Through you, sir.

Your \$300 grocery bill is only going to cost you another \$3.75, so don't worry about it. Your travel overseas, it is only going to cost you an extra 25 per cent foreign currency purchase tax increase from 1.0 per cent to 1.25 per cent. That's okay. It is not significant. It is miniscule in the overall scheme of things. Your school fees—

**Hon. Wayne L. Furbert:** Point of order, Mr. Speaker.

**The Speaker:** Point of order.

**POINT OF ORDER**

*[Misleading]*

**Hon. Wayne L. Furbert:** The Honourable Member is misleading this House and the public. I believe you said the groceries would increase by . . . how much?

**Hon. Patricia J. Gordon-Pamplin:** [By] \$3.75.

**Hon. Wayne L. Furbert:** No, Mr. Speaker. That is wrong.

**An Hon. Member:** How much?

**Another Hon. Member:** Look it up.

**An Hon. Member:** She told you, you said no. You got to prove it.

**Hon. Patricia J. Gordon-Pamplin:** That was the number that the Honourable Member gave in his presentation, so—

**Hon. Wayne L. Furbert:** Mr. Speaker, no. What I said was, Mr. Speaker, what I said was—

**Hon. Patricia J. Gordon-Pamplin:** —I was only repeating.

**The Speaker:** Ah! Ah!

**Hon. Wayne L. Furbert:** Mr. Speaker, what I said was, that the groceries would be \$300, would be \$3.00 at the current rate.

**An Hon. Member:** That is what she said.

**Hon. Wayne L. Furbert:** At the new rate of 3.75. It doesn't go up. It doesn't go up 3.75. The rate is seventy-five cents.

*[Inaudible interjections and laughter]*

**Hon. Patricia J. Gordon-Pamplin:** Mr. Speaker, I think we have a hearing problem or an understanding problem.

**The Speaker:** Just speak to me slowly, so everybody can understand it. How's that?

**Hon. Patricia J. Gordon-Pamplin:** Yes. I will speak really slowly, Mr. Speaker.

*[Laughter]*

**Hon. Patricia J. Gordon-Pamplin:** Some people need to slow down.

**The Speaker:** Just speak to me, just speak to me.

**Hon. Patricia J. Gordon-Pamplin:** I will. I will.

So, Mr. Speaker, Mr. and Mrs. Smith, your extra seventy-five cents that you have to pay, she doesn't have the seventy-five cents. You are paying \$303.00 now for your foreign currency purchase. It is going up to \$303.75. It is okay. It is not that much.

Your \$50,000 school fees that you are paying now, it is only going to cost you an extra \$500.00 in the overall scheme of things. Don't worry about it; it is just a little bit. It is miniscule.

Your cost of food is going to go up, Mr. and Mrs. Smith. The cost of your Amazon purchases is going to increase, Mr. and Mrs. Smith. All the cost of your imports is going to increase, Mr. and Mrs. Smith. The cost to settle your credit cards because you had to use your credit card because you did not have the cash to pay for it, if you use your foreign currency credit card, it is going to cost you a little bit extra to settle it. But it's okay because this is a Government that really cares, got your back, and we are concerned about you. That is what we would have Mr. and Mrs. Smith believe.

Mr. Speaker, the cost of traveling overseas, it is just going to cost you a little bit extra, but you can afford to take a trip, so you can afford to pay a little bit extra in foreign currency purchase tax when you have to pay to buy your US dollar currency, or your foreign currency, when you are ready to travel. But that doesn't matter! It's okay, because it is not that much in the overall scheme of things.

But, Mr. Speaker, let's start to consider the knock-on effect, the knock-on effect that, when a corporation, a business here that is spending not just the \$1,000 at which there is that 0.25 per cent uptick that it is going to cost them addition in foreign currency, but the companies that have to purchase all of their inventory overseas, the companies that are putting out significant amounts of money, and the companies that are putting out significant amounts of money that impact on their cash flow and they are going to do it at the outset. What is that going to do?

That company is not going to just mark-up the cost of their goods by 0.25 per cent of the additional bit on the foreign currency purchase tax. That company is going to wrap that in to an overall increase that says to Mr. and Mrs. Smith, *I had to put this money up. I had to advance it. It has cost me a little bit more, but I am going to put a little bit more on that just to make sure that I am covering my costs of administration.* That is what it is going to come out to. So what you are going to find is that where you were paying \$303.00 before, and now you are \$303.75 for your grocery bill, that grocery bill is going to end up being \$305.00. Not as a result of the tax, but as a result of the tax and the knock-on impact.

Now, here is what also is an interesting conundrum, Mr. Speaker. If you get paid in US dollars, it is not going to impact you one iota because you have US dollars to go to the bank and buy US dollars. You have US dollars with which to pay your US dollar credit card. It doesn't cost you one penny different.

So who is going to benefit? [It is] those people who have the benefit already of being paid in US dollars, having US dollars at their disposal and being able to purchase both their foreign currencies . . . all they have to do is go downtown, go to the cash machine, Mr. Speaker. Put in your US dollar credit card, your US dollar bank card, and take out US dollars and it does not cost you an extra dime!

But Mr. and Mrs. Smith, who pay . . . who are ordinary citizens in our community, who are struggling as it is . . . and Members can say that we do not care about people who struggle. And, Mr. Speaker, to that I say, I don't care about what they say. Because the reality is that we have always shown concern for the people who we represent. So when Mr. and Mrs. Smith go to the bank and stick in their credit card, their Bermuda dollar credit card to get US dollars, they are paying for the exchange rate at the source. And then, Mr. Speaker, the cost that they are going to end up paying when they go to the store is going to be exacerbated by the fact that the cost of doing business by these stores has increased. However you slice it that is the reality.

Now, we have heard, Mr. Speaker, because I said earlier, that Government has not exhibited any austerity measures in and of itself. They are not cutting back. And the first thing that we hear Members opposite saying is that, *Oh, we don't care over here because we are willing to lay people off to shrink government's cost of operation.* But, Mr. Speaker, if people were sufficiently astute to be able to understand that reducing the cost of government does not necessarily equate to laying people off, you can reduce the cost of your government's civil service bill by encouraging an entrepreneurial spirit in which departments can move off without being a cost to the government and no person has to lose a dime in income.

Mr. Speaker, just as an example, you will recall that at the airport we used to have the Department of Airport Operations. And the Department of Airport Operations [has been replaced], Mr. Speaker, now we have Skyport. We have one of the most professional individuals, who used to be on the payroll of the government, Aaron Adderley, I am going to call his name, because I have the upmost respect for him and the work that he does. He is no longer a charge to the taxpayer. But he is employed, and he is employed well. Why? Because there was a carveout from the job that he did to a similar job with a new institution that is not on the government payroll. That is how the government can reduce its expenses.

So I am just giving that as a little tip because, clearly, Government Members do not understand the

minute you say that there are no austerity measures in the government—

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** —cost of operations, that automatically there is an assumption that we are saying that we are going to cut payroll and cut people off the payroll.

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** That is not the case! There are departments that the Premier, when he was Shadow Finance Minister, Mr. Speaker—

**The Speaker:** Yes.

**Hon. Patricia J. Gordon-Pamplin:** —highlighted and articulated that these are situations that could be—

*[Inaudible interjections]*

**The Speaker:** Members! Don't get noisy. Members!

**Hon. Patricia J. Gordon-Pamplin:** —ripe for privatisation or mutualisation. And that does not cause people to lose their jobs.

And I am so tired of hearing Members opposite suggest that for us to ask them to consider austerity measures would automatically mean that people will lose their jobs. That is the scaremongering to which our community has been subjected, Mr. Speaker. But there is nothing further from the truth. It takes innovation. It takes determination, and it takes cooperation that we can bring this monster of a debt down to a sizable and manageable state with government austerity and without laying people off and sending people home without having any pay.

So, I hope that that has been sufficient to explain to Members where we are coming from when we say that government can cut its cost. Just look at the one example and use the Department of Airport Operations, and consider how that was an area in which there is no longer a cost centre in the government budget and the employees relating thereto have not been laid off, there has been no cut.

So, Mr. Speaker, I am concerned because collectively the Government might say, *Oh, it is not that much. It is only a little bit. Who cares?* But when you start to add one charge—

*[Inaudible interjections]*

**Hon. Patricia J. Gordon-Pamplin:** —to another and then to another, and then to another, Mr. Speaker—

The Honourable Member will have his opportunity to speak, and he is perfectly capable of so doing.

**The Speaker:** All right, Members. I only need to hear one voice.

**Hon. Patricia J. Gordon-Pamplin:** When we start putting one tax on top of another tax on top of another tax, and no matter how little it might be, Mr. Speaker, if you have, *This tax is going to cost you another twenty-five cents. The next one is going to cost you another dollar. Next one might cost you another twenty-five cents. And the next one another fifty cents.* Before you know it, Mr. Speaker, you are ending up paying an extra two or three dollars that you may not have.

*[Inaudible interjection]*

**Hon. Patricia J. Gordon-Pamplin:** And all we get from Members opposite is, *You borrowed \$100 million.* But we also put \$335 million, by return, into the economy. But that is an inconvenient truth that Members opposite would not wish to acknowledge because it does not support their narrative.

Mr. Speaker, I will always stand by the concern that we have for the people who we serve . . . and especially those people who being paid in Bermuda dollars, who are struggling as it is, who are not able to compete with those who are being paid in US dollars. They are being hard done by.

**The Speaker:** Mm-hmm.

**Hon. Patricia J. Gordon-Pamplin:** When I mentioned “gouging” earlier, Members took exception to it. So I am happy to pare back that language a little bit, if you do not think that we are being “gouged.” But all I can say in this circumstance, Mr. Speaker, is that the Government gets the gold mine, and the people get the shaft. Thank you, Mr. Speaker.

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

I recognise the Deputy Speaker. Deputy Speaker, you have the floor.

**Hon. Derrick V. Burgess, Sr.:** Thank you, Mr. Speaker.

Mr. Speaker, you know, I heard the Honourable Member who just took her seat, praising Skyport, which is fine. I do not mean to do anything opposite, but Skyport belongs to Aecon. Aecon gets over \$20 million of revenue that we used to have in our coffers. They are in charge of the airport. They will be getting a whole lot of money. All of the concessions at that airport, they will get it. Now, they do not even want to pay for the guarantee that we give the airlines to bring in our passengers. And they want us . . . plus they are down there getting lights free, the fire department is free, we are paying for that. That is a deal you could not even make in heaven because heaven would want

everybody to come out fair. So that deal was not made in heaven, Mr. Speaker.

And we got an airport that is probably \$100 million overcharged. We don't know, because it never went out to tender. I should say, we got a building that looks like a spaceship. Nothing about it looks like Bermuda. Every time I go down there I say, *Look at that spaceship sitting down there. I'm waiting for it to take off.* It has no type of identity to this country. That is what you get when you do not tender things out because if you had tendered it out, you would have got companies that would have given you competitive bidding and they would have taken Bermuda's architecture into consideration. So the Skyport is no example. They have got \$20 million right off the reel, before they even started, of our money. And the taxpayer has to make up for the lost revenue. Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to speak?

I recognise the Honourable Member Pearman. Honourable Member, you have the floor.

**Mr. Scott Pearman:** Thank you, Mr. Speaker, just two very, very quick points.

I think that all of us in this House, all of us in this Chamber, knows that our Island hangs in a very delicate financial balance. We are about to see \$39 million of tax increases in a declining economy, and so let us all hope that something major does not happen to upset that delicate balance.

Secondly, Mr. Speaker, on this specific amendment Act, in relation to foreign currency purchase, the Opposition spokesperson on Finance in the House, the Honourable Member Pat Gordon-Pamplin, has made the point, but let me repeat it again, because it is worth making again. We live on an Island in the middle of the Atlantic where most everything we have has to be imported. And those imports have to be paid for using US dollars. This is a 25 per cent across the board increase in those existing charges and so, regrettably, Mr. Speaker, this will only serve to increase the cost of living in Bermuda.

**The Speaker:** Thank you.

Does any other Honourable Member wish to speak?

I recognise the Opposition Whip. Honourable Member, you have the floor.

**Ms. Susan E. Jackson:** Thank you, Mr. Speaker.

I just want to get up and share a few words of concern around the increase of the foreign currency purchase tax.

**The Speaker:** Yes.

**Ms. Susan E. Jackson:** It is my perception that we in Bermuda are looking at so many very small, as the Government would put it, tax increases, which I am afraid are going to add up, and the people who are living here who call Bermuda their home, are the ones who are going to end up feeling the brunt of the tax increases and are going to end up paying the price to keep the Government's tax bounty afloat.

The foreign currency purchase tax, in my personal opinion, is something that is going to be directly related to people who are paid in Bermuda dollars. And the people who are paid in Bermuda dollars are the ones who are oftentimes faced with the less attractive salaries. We are the ones who are living here who do not have options for other foreign currencies. And so it is the working person in Bermuda who is earning Bermuda dollars who is going to have to pay the increased taxes. And as my Member before me had mentioned, other people who have plenty of money who may be living on this Island for short periods of time are often paid in their home country's currency, which is US dollars. And so they are not going to face the kinds of taxes that we here in Bermuda who get paid in Bermuda dollars are going to face.

We already know that everything is expensive. We have, you know, the sugar tax has been put on us. Land tax increase is coming. We have . . . if we use our credit card, in particular, if we use a US dollar credit card to pay our taxes, we are going to get charged to use that card. So not only are we going to be paying additional foreign currency purchase tax, but we are also going to be charged to use our card. And we are using our card because we don't have the cash to pay it upfront.

We are also going to be faced with . . . if we are a retailer, we are going to be faced with the possibility of commercial rental taxes being passed on to us, commercial land tax is going to be passed on through our rents. For the retailer, not only are they going to have those commercial taxes through the land tax, but they are also going to have to face the foreign currency purchase tax when they are purchasing goods overseas. And many of them who are purchasing goods in the United States are facing higher US taxes.

So, all I am saying, Mr. Speaker, is that all of this is going to start to add up. We may think, or the Government may think, *Oh, we are just going to put \$3.00 here, and a few dollars there* . . . the person who is really trying hard to raise their family, maintain a household, is going to feel that \$3.00 extra on that \$300 grocery bill. I watched a gentleman who was out with his two young children. They were purchasing a little juice. That little juice that he bought for those children, actually, there were two juices . . . now, I remember when they used to be \$1.25 each, they were now \$7.50 for two little juices—\$7.50. And if you could have seen the look on that man's face—

*[Inaudible interjections]*

**Ms. Susan E. Jackson:** If you could have seen the look on that man's face—

**The Speaker:** Members! Members! Just let her speak to me. Let the Member speak to me.

**Ms. Susan E. Jackson:** —to realise that even taking his two young infant children out on a Friday night for a slice of pizza and a juice, that he was going to be paying that kind of money . . . and that price is coming through the taxes—

*[Inaudible interjections]*

**Ms. Susan E. Jackson:** —that the Government is adding to the cost of goods in Bermuda, Mr. Speaker.

*[Inaudible interjections]*

**Ms. Susan E. Jackson:** And when it is time for us to travel, that same father is going to look and see that when he is trying to convert his \$100, \$200 or \$500 to US [dollars] that that, in turn, is going to be less that he is going to get. I think it is a real disgrace that people who have supported Bermuda, are supporting the Government, are the ones who are all going to have to face the price of this tax increase. It needs to be completely transparent, and people have to acknowledge that these taxes are going to reflect on the local community directly.

Mr. Speaker, I just want it to be very clear that when all of these prices go up, and when, in particular, we look at a foreign currency purchase tax, we are going to realise that not only are we creating an inflationary environment, but we are also lowering the quality of our currency. That dollar that we have that is a Bermuda dollar that so many of us have proudly walked and said, *Oh, we are on par with the United States dollar, and oh, my goodness, the quality of Bermuda's currency is so high*, and slowly but surely, that is being chipped away. And before we know it, we are going to find that it is going to be a noticeable difference, and we are going to have to pay additional Bermuda money in order to gain the same amount of US dollars. And it is going to be clear and this community is going to know.

So, the Government can go ahead and institute this tax increase on our foreign currency purchases, but it is going to show up and it is going to reflect poorly on the economic environment here in Bermuda, Mr. Speaker, and I just want that to be noted. Thank you.

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

Does any other Honourable Member wish to speak?

We recognise the Minister of Education. Minister, you have the floor.

**Hon. Diallo V. S. Rabain:** Thank you, Mr. Speaker.

Mr. Speaker, I was not expecting to speak on this, but I could not stay on my . . . I could not not get up on my feet after listening to the Honourable Member opposite to me speak. And she spoke very highly of Mr. Aaron Adams [*sic*] who I know as a personal friend.

**Some Hon. Members:** Adderley.

**Hon. Diallo V. S. Rabain:** Aaron Adderley.

**The Speaker:** Yes.

**Hon. Diallo V. S. Rabain:** Who I know as a personal friend . . . Devil's Hole, he lives on Devil's Hole. And I know him to be a very good worker and very knowledgeable and someone who Skyport was very eager to take on. But, Mr. Speaker, when the Honourable Member speaks about that particular deal, as if it was the greatest thing since sliced bread, I have issue with that.

**Hon. Patricia J. Gordon-Pamplin:** Point of order, Mr. Speaker.

**The Speaker:** We will take your point of order.

#### POINT OF ORDER

[*Misleading*]

**Hon. Patricia J. Gordon-Pamplin:** At no time did I say that that was the greatest deal since sliced bread. I simply pointed to a situation in which someone who used to be on the Government payroll is—Sir!

**The Speaker:** Ah! Ah!

**An Hon. Member:** Oh, sorry.

**The Speaker:** Whip, Whip, stay on that side. Stay there. Stay there.

[*Inaudible interjections*]

**Hon. Patricia J. Gordon-Pamplin:** That someone who was on the Government payroll, who is no longer on the Government payroll, but is not unemployed. I never once said that that was the ideal situation. I just pointed out to the possibilities—the possibilities—of being able to—

**The Speaker:** Okay. Thank you. You—

**Hon. Patricia J. Gordon-Pamplin:** —carve out and—

**The Speaker:** —you made your point.

[*Inaudible interjections*]

**The Speaker:** Members! Members!

**Hon. Patricia J. Gordon-Pamplin:** —not have people be unemployed.

**The Speaker:** Member, you have made your point.

**Hon. Patricia J. Gordon-Pamplin:** So I just don't want to be misled.

**The Speaker:** Your point has been made.

**Hon. Diallo V. S. Rabain:** Thank you, Mr. Speaker.

And I am actually grateful for that Member for getting up and saying that because, Mr. Speaker, it is amazing how short the memories are here.

Now, Mr. Speaker, when we go back to the budget that gave us the deal that the Honourable Member speaks of, when we go back to the last One Bermuda Alliance budget that did that one, a budget that was \$67 million in deficit, Mr. Speaker, and out of that deficit, \$25 million of income from the airport was erased from our books.

**An Hon. Member:** Hmm.

**Hon. Diallo V. S. Rabain:** Was erased from our books, Mr. Speaker.

And, Mr. Speaker, the great deal that the opposite Member does talk about, with that \$25 million of revenue, which does not include the revenue that comes from the departure tax and all of that. I am just talking about the revenue of running the airport that also disappeared, \$20 million of expenses.

So, it does not take a rocket scientist to see that \$5 million in revenue disappeared from our budget—disappeared from our budget. So, that Honourable Member would have us believe that we should encourage Government to take some of our operations to the private sector, lose income, give that income away so they can use that to pay our employees the same that we are paying them now, plus make extra profit for their coffers, their friends' coffers, while we are forced to raise taxes to replace that money that they have given away.

But now they want to stand here and complain that we have to raise money to replace the money that they have given away. I do not get it, Mr. Speaker! I just do not. And to stand up here and try to tell us that this is the best way to go speaks to the narrative that they just still do not get why they sit on the Opposition benches and were the first party to be a one-administration party.

They do not get it! If they continue to stand here and talk the rubbish that they want to talk, this is

what will continue to be. They will stay over on that side for the rest of their natural-born lives until they perhaps fool the people and become another reiteration of what it is that they are, Mr. Speaker.

*[Inaudible interjections]*

**Hon. Diallo V. S. Rabain:** Mr. Speaker, so here we have an Opposition that can do no better than talk about privatise and give away additional revenue that we do not already have, and then complain when we have to raise revenue to do the things that they are doing.

But, Mr. Speaker, what that Opposition Member did not point out is that we are still working with the bad set of cards that they have dealt Mr. and Mrs. Smith (as she refers to them), but we still manage to put a budget on the floor that will create a surplus, Mr. Speaker. That is what we have done! And that is what this party is about! And in addition to producing a surplus, we have funded over 500 people to go back to school.

**Some Hon. Members:** Yes! Yes!

**Hon. Diallo V. S. Rabain:** We have increased the amount of money put into our school system! We have done the things that Mr. and Mrs. Bermuda need to have done that they decided were better off spent on a boat race. Thank you, Mr. Speaker. That is what they would expect us to listen to.

So, if any of them want to get up and talk about the great Aecon deal, let them remember that we have lost revenue. We have lost revenue for 30 years on the great airport deal. And we are now raising—

**Hon. Patricia J. Gordon-Pamplin:** Point of order, Mr. Speaker.

**Hon. Diallo V. S. Rabain:** We have to raise money to replace the money that they have lost—

**The Speaker:** Point of order. Take your—

**Hon. Diallo V. S. Rabain:** —but we have still—

**The Speaker:** Point of order! Minister! Minister!

**Hon. Diallo V. S. Rabain:** —come up with a surplus!

**The Speaker:** Minister!

**Hon. Diallo V. S. Rabain:** Thank you, Mr. Speaker.

**The Speaker:** Point of order!

#### POINT OF ORDER

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, the Honourable Member insists that we have lost money. It is no different than the \$30 million that we had to pay based on their deal at the hospital—\$30 million a year, \$2.5 million per month.

**The Speaker:** You made your point. You made your point, Member, made your point.

Were you finished? Minister, were you finished?

*[Inaudible interjections]*

**The Speaker:** Mr. Swan.

**Hon. Hubert (Kim) E. Swan:** Good evening, Mr. Speaker.

Mr. Speaker, allow me just to say a few brief words on this Foreign Currency Purchase Tax Amendment Bill, and to speak also to some of the comments that have been made by persons opposite us in this Government.

Mr. Speaker, if I did not know any better, I would think that they cared.

*[Laughter and inaudible interjections]*

**Mr. Hubert (Kim) E. Swan:** I really would think that they cared about Mr. and Mrs. Smith. And that is not to say that there are not Members there who do care. But as a collective and as one who sat in their midst and advocated for Mr. and Mrs. Bermuda, every time I spoke in my life, I can tell you that there is something that people must know. Your actions speak louder than the words you spoke before 2012 and certainly after 2017. That period of time that you had to govern is what you will be judged on.

You are not going to be judged on the time that you spent prior to 2012 when you said rosy stuff. You are going to be judged on your time in Government.

*[Inaudible interjections]*

**The Speaker:** Members! Members!

**Hon. Hubert (Kim) E. Swan:** And your time in Government is what . . . because I have heard, you know . . . I want to say this, Mr. Speaker. During the Budget Reply time, I spoke earlier. I was up as an opening batsman. I came in, opening batsman, the Honourable Wayne Furbert and myself. He took the first ball on behalf of the Government. Yes, yes! You know what, Mr. Speaker? I am not ashamed of my past! I am thankful for it, Mr. Speaker. You know why? Because I understand far better than the average bloke the type of stuff that is getting shovelled out there, shovelled out there, shovelled out there.

*[Desk thumping and general uproar!]*

*[Gavel]*

**Hon. Hubert (Kim) E. Swan:** But I am here to tell you, you have got your record that you need to answer for. And you know what? They can go back and look at all the Hansards that they want. And do you know what I was going to say? Stay right there, my brother. Do not come yet. Stay right there.

*[Laughter]*

**Hon. Hubert (Kim) E. Swan:** You know what? Before my finance guys came in, I said, *Nah. They are not here.* And they have got plenty to say, because they are not here. When they were here, when I went up over and back, they were quiet as a mouse! They were . . . (Oh, man, don't let me break my phone!) They were quiet as a mouse.

You know, the Finance Minister . . . My mama called me. *Good evening, Mom. I know you are listening.*

She said, *You know, don't get too worked up, Kim. I don't want you to have a heart attack.*

**The Speaker:** You were not listening to it then. Don't get too worked up.

**Hon. Hubert (Kim) E. Swan:** *I mean, if you can, that man, Mr. Dickinson, that man, Mr. Dickinson, you know, he is so calm. And he presents his work so good.*

She said, *I really enjoy listening to him.*

I said, *Everybody did, because when he had a part and was speaking, everybody was listening.*

You know, what's the Christmas? . . . *not even a mouse.* But he was not around today. The Premier was busy doing some people's business. And everybody was chirping, could not get them out of their seats many times. But they were up, talking about . . . and I remember in the opening bat, I talked about condescending coded messages.

**Some Hon. Members:** Ah! Oh!

**Hon. Hubert (Kim) E. Swan:** What are condescending coded messages?

*[Inaudible interjections]*

**Mr. Hubert (Kim) E. Swan:** *Monstrous debt.* I might have said the same myself when I participated thus. But let me tell you what monstrous debt . . . when you say "monstrous debt"—and you created the monstrous debt—then that becomes duplicitous! Because when in 2011/12, 2010, when people were talking about the sea of debt, I raise my hand, I was there, too. I certainly did not expect those persons to come

there and double what they found thereabouts. Give or take a penny or two, they doubled it!

But yet, you know what? People said they had to pay the people we hired. When a Government was confronted with a recession not of the Government's making, I think everybody can agree with that.

**An Hon. Member:** They would have you believe it, though!

**Hon. Hubert (Kim) E. Swan:** Well, you know, I participated in having them believe that the PLP caused the recession. Why, the PLP is mighty, man, we could cause a recession! They could take over the whole world! But you know what? Mr. Speaker, I ain't got to talk too much longer. Because, you know, I just came in for a little bit just in the middle order today to push the ball around a little bit, push it around a little bit, point out some of the duplicity.

*[Inaudible interjections and laughter]*

**Mr. Hubert (Kim) E. Swan:** Let me tell you where the real duplicity is. It is not on the Opposition tickling up the Government. Because that is part of your job. Maxwell used to say, you know, in Opposition, really you have got to be responsible. You know? And we are seeing it.

*[Laughter]*

**Mr. Hubert (Kim) E. Swan:** But let me show you where you really see it, is when good ideas . . . and you know what? I am going to send a shout-out down to Old Maid's Lane. *Man, you are in Opposition?* Come with some *solutions*, will you? Come with some solutions! And that is what I am passing on to the Opposition today. Come with some solutions! Because when I became an Opposition Senator in 1998, I started the only Opposition we ever had.

I read, when the library was still—

*[Inaudible interjection]*

**Hon. Hubert (Kim) E. Swan:** When the library was still in existence, I read Dame Lois Browne-Evans' speeches. I read the late Freddy Wade's speeches. I read C. Eugene Cox's speeches. And I want to say this, Mr. Speaker. That was the epitome of speaking for Mr. and Mrs. Bermuda—not what we are hearing today. What we are hearing today is not that! And let me say this. In this budget, and in the last year since the last budget, this Government has gone out of its way to bring to Signature Bank. Why? Because the local banks do not want to participate in the vision of this Government.

This Government, in Opposition, came with solutions that the then-Government did not take. FinTech. Blockchain. It may have been language that

many persons did not understand. But the young minds that I am associated with understood it, advanced it, believed in it, and pursued it! Today, we have the opportunity to get that vision. But what do we hear from the Government, the former Government? We hear them putting up the very roadblocks, and it is not like we can look at HSBC, who are in Asia and all over the world, looking at how they can move in the same space. And so, on foreign debts, foreign practices . . . why are we on that? Because you cannot have foreign purchases without banking institutions, and this country cannot move itself forward without banking.

And if the Opposition wants to [do] what they want to, [which is] help, get on board and help this Government. Come with some solutions! Stop using that coded language. Because the people know it is disingenuous. They did not buy it in 2017. And they are not going to continue to buy it.

*[Inaudible interjections]*

**Hon. Hubert (Kim) E. Swan:** Oh, yes, the paper will write it. The paper will write it.

And let me tell you this, Mr. Speaker. Let me say this. The opportunity for the Opposition to find themselves is here and now, as this Government moves forward with FinTech, something that it brought to this very House in 2014. And the roadblocks that they are putting in our way and—

*[Inaudible interjections]*

**Mr. Hubert (Kim) E. Swan:** Some of your Members, not you. Some of your most vocal Members, not you. You are vocal, but not your most vocal Member.

**The Speaker:** Speak to the Chair. Speak to the Chair, Member. Member! Speak to the Chair.

**Hon. Hubert (Kim) E. Swan:** And, Mr. Speaker, and, Mr. Speaker, in what we need . . . look. The former Government, as I wind up, Mr. Speaker, the former Government—

**The Speaker:** Well, speak to the Chair and stay on point. Speak to the Chair.

**Hon. Hubert (Kim) E. Swan:** The former Government . . . we are talking about the foreign [currency] purchase tax.

**The Speaker:** Yes. Speak to the point.

**Hon. Hubert (Kim) E. Swan:** Because this Government cannot get foreign purchases.

The former Government put in place a hotel right there on the beach, right there on the water. This Government, and it has an opportunity to have a gam-

ing licence. And it is up to this Government to find a way to facilitate those transactions so that we could get what? More [foreign] currency coming in, so our what? Our Finance Minister who understands finances to the umpteenth degree, can decide whether some of these taxes can be what? Maybe roll it back when the income starts coming in.

But first, you have to do what is the lay of the land. And it is not to be lost, not to be lost that [for the first time] in 14 or 17 years, this country has a surplus—has a surplus! So those coded words are not going to work, because persons who are looking at the real numbers know the real deal. And let me tell you, I have been in the legislature since 1998. And I know that every budget that comes up gets scrutinised, and some get people marching. The late Dr. Saul would have remembered that every day when the budget came up.

And what I am here to say is that you have not seen it. And you heard *silence* from this side over here when this gentleman is here. So, keep chirping. He is here now. Thank you, Mr. Speaker.

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

Does any other Honourable Member want to speak?

No other Member?

Junior Minister.

*[Inaudible interjections]*

**The Speaker:** Members, if you do not want to take to your feet, be quiet.

**Hon. Wayne L. Furbert:** Mr. Speaker, again I find it ironic, because let us look at this. The Honourable Member said that they care about Mr. and Mrs. Smith. They really did not. Because for five years, Mr. Speaker, they did not give our seniors any increase. They did not give our civil servants any increase. So, let us just imagine that \$300 in 2012.

*[Inaudible interjections]*

**The Speaker:** Members!

**Hon. Wayne L. Furbert:** Let us just remember that bag of groceries, that [cost] \$300 in 2012. How much do you think that cost, they lost from 2012 to 2017? With no increase! With a rate of inflation, Mr. Speaker, occurring every year, that \$300, they could probably only buy \$250 worth of groceries. Maybe I should go slow for some of you.

*[Inaudible interjections]*

**Hon. Wayne L. Furbert:** Mr. Speaker, what I am saying to them is that Mr. and Mrs. Smith, who could buy some groceries at \$300 in 2012, could not buy that

\$300 in 2013 because of inflation. They could not buy it in 2014 because of inflation.

**Hon. L. Craig Cannonier:** Point of order, Mr. Speaker. Point of order, Mr. Speaker.

**The Speaker:** We will take your point of order.

**POINT OF ORDER**

*[Misleading]*

**Hon. L. Craig Cannonier:** Yes. The Honourable Member is misleading the House and, unfortunately, probably unintentionally doing that. If he can recall, going back those few years, we were the ones who put in a policy with the grocery stores to reduce the cost of groceries more than the rate of interest, more than the rate of interest.

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

**Hon. Wayne L. Furbert:** Mr. Speaker, if you ask the Honourable Member, How long did it last? How long did that last?

**Hon. L. Craig Cannonier:** Mr. Speaker, he said in 2013 it was more. And I am referring to 2013 when he put that policy in place. He does not know what he is talking about.

**The Speaker:** Thank you. Junior Minister, keep going. Speak to the Chair.

**Hon. Wayne L. Furbert:** The Honourable Member, again, I would ask the Honourable Member Patricia Gordon-Pamplin, who understands a little bit about numbers, to explain this one. If the groceries are at \$300 in 2012 and the rate of inflation hit that in 2012, it was, let us say, 1 per cent. It is now \$297. Another 1 per cent in 2013, it is down a further 1 per cent. And let us say you went for six months for whatever you did for the grocery store.

Then in 2015, Mr. Speaker, it went up again! My point is that they could not buy some groceries at \$300 in 2017! Because they refused to give the civil servants increases. They had the furlough days, so the civil servants were earning less money for that period of time. And seniors could not buy their same bag of goods.

So, Mr. Speaker, we came in, gave the seniors an increase, we gave the civil servants an increase. And so, the 1 per cent, the 0.25 per cent that they are getting on groceries, they can now afford it if they bought it based on what you said.

Now, the Honourable Member Jackson, talked about how they paid with their credit card. I do not know what rate she knows they pay for credit cards.

But if they are charging the rates that I know they are paying for rate of credit cards with the banks, it is much more than 1 per cent. So, they bought the payroll tax, I am assuming, paid the payroll tax by 1 per cent. I am assuming that is what you are saying, paid the payroll tax by credit card. The rates that the bank charges, which you work at, and the Honourable Member is a director of, charges much higher.

**Hon. Patricia J. Gordon-Pamplin:** Point of order, Mr. Speaker.

**The Speaker:** Yes. We will take your point of order.

**POINT OF ORDER**

**Hon. Patricia J. Gordon-Pamplin:** I just think it is important to point out that interest on credit card balances is only appended if the balance is not repaid. So, people use their credit card so that they have the benefit of cash flow. And if it is paid before the end of the month, there is no charge for credit card interest.

**Hon. Wayne L. Furbert:** I know that. And if they did not pay it, what happened?

**The Speaker:** Continue on, Junior Minister.

**Hon. Wayne L. Furbert:** We know that. The question is, if they did not pay it, what happens?

*[Inaudible interjections]*

**Hon. Wayne L. Furbert:** No, you are assuming. So, Mr. Speaker, let us look at this [other] point. The Honourable Member said that this juice—the Honourable Member said that somebody went to some place and bought two juices for seven dollars and something.

**An Hon. Member:** Honourable Member Jackson.

**Hon. Wayne L. Furbert:** The Honourable Member, Ms. Jackson. I do not think they need to blame the Government for that. Maybe she needs to blame the Honourable Member from constituency 10. I just looked online. Walmart charges sixty-two cents.

If we added 1 per cent to that, that is only 0.006. I would say that you suggest that the Honourable Member from constituency 20 ask the Member from constituency 12 what his profit margin is. I am sure it is higher than 1 per cent.

**Ms. Susan E. Jackson:** Mr. Speaker, point of order.

**The Speaker:** Point of order.

**POINT OF ORDER**

*[Misleading]*

**Ms. Susan E. Jackson:** He is misleading the House. He is singling out one particular distributor when there are a number of distributors on this Island.

*[Inaudible interjections]*

**Ms. Susan E. Jackson:** And I would also like to add that, no matter what the price is on the goods,—

**The Speaker:** Members! Members!

**Ms. Susan E. Jackson:** —that this Government is, as we are debating tonight, further taxing our individuals who are living here in Bermuda who are paying in Bermuda dollars. Not only have they added the sugar tax, but now the foreign currency purchase tax, as well!

**The Speaker:** Not a full speech. Not a full speech. Thank you.

**Hon. Wayne L. Furbert:** Mr. Speaker, it was that Honourable Member who brought up juice, not me.

*[Laughter and inaudible interjections]*

**Hon. Wayne L. Furbert:** If you had brought up shoes, I would have mentioned shoes. But you brought up juice, \$7.50 for two bottles. Not me! I am just explaining to you that when I looked at Walmart right now, it is sixty-two cents!

**The Speaker:** Junior Minister, let me help you out. Just speak to me. Just speak to me, and move on. Speak to me. There you go.

**Hon. Wayne L. Furbert:** So, do not blame me about the juice, Honourable Member.

**The Speaker:** Move on.

**Hon. Wayne L. Furbert:** We are charging 0.25 per cent on top of that, .25 per cent. And the Honourable Member, I am sure that the profit margin is much higher. So, blame the Honourable Member somewhere else, not this Government! That is my point.

Mr. Speaker, the Honourable Member also said that it does not affect individuals who have US dollars. Well, if the Honourable Member goes down to MarketPlace and buys some eggs or some juice in US dollars, it is affecting them, too.

**Hon. Patricia J. Gordon-Pamplin:** Point of order, Mr. Speaker.

**The Speaker:** Yes, Madam.

#### POINT OF ORDER

**Hon. Patricia J. Gordon-Pamplin:** I very clearly said that it will not impact people who are paid in US dollars, on their travel overseas or for them to have to pay their credit cards, because there would be no foreign currency purchase tax appended. That is what I said.

**The Speaker:** Thank you.

**Hon. Wayne L. Furbert:** Mr. Speaker, I did not call the Honourable Member's name.

**The Speaker:** Just speak to the Chair. Keep moving on.

**Hon. Wayne L. Furbert:** I was calling the Honourable Member Jackson, once again from [constituency] 20. She is the one who said it. The Honourable Member who said it, she said it.

**The Speaker:** No problem. Keep speaking.

**Hon. Wayne L. Furbert:** I heard what you said. I was not talking about you.

**Hon. Patricia J. Gordon-Pamplin:** And I know what I am talking about.

**Hon. Wayne L. Furbert:** If you are guilty, it is a different story.

But, Mr. Speaker, those Honourable Members, for some reason—

**The Speaker:** Speak this way.

**Hon. Wayne L. Furbert:** —in the last year and a half, they have got saved. For some reason, they have changed this whole epitome of where they are. We just spoke about a tax that they were the ones who brought it to this Honourable House, not us.

Mr. Speaker, I know I got saved when I crossed this floor.

*[Laughter]*

**An Hon. Member:** Very much so!

**Hon. Wayne L. Furbert:** That is for sure. You are still to be saved.

**Some Hon. Members:** Ooh!

**Hon. Wayne L. Furbert:** The Honourable Member now leaves the Chamber, because she does not want the Honourable Member Kim Swan and I to talk about that group, not in this House.

**The Speaker:** Just speak to the Chair. That is all. Speak to the Chair.

**Hon. Wayne L. Furbert:** I will ask the Members to read my book when it comes out.

**An Hon. Member:** Oh, Lord!

*[Inaudible interjections]*

**Hon. Wayne L. Furbert:** So, Mr. Speaker, what I am saying to the Honourable Members in this House is that this Government has shown concern for our seniors and our civil servants by giving them increases for the last two years. And we recognise, Mr. Speaker . . . let me talk about one other thing, Mr. Speaker.

**The Speaker:** I thought you were wrapping up, you know.

**Hon. Wayne L. Furbert:** How do you think they were going to balance the budget, Mr. Speaker?  
Sorry. I am speaking to you, Mr. Speaker.

**The Speaker:** Go ahead.

**Hon. Wayne L. Furbert:** How do you think they were going to balance the budget? They planned to increase payroll tax from the employer from 10.25 to 11.25, employer. The average employee would have paid an increase of 1 per cent. Let us look at this, Mr. Speaker. The Honourable Member talked about 1 per cent paid on a \$50,000 for a scholarship. That would have been \$500. We accept that. But imagine a Bermudian earning \$5,000 a month. You would pay 1 per cent. You would pay \$500 on payroll taxes every month! Does anybody want to stand up and dispute that?

**Hon. Derrick V. Burgess, Sr.:** No, they cannot.

**The Speaker:** Speak to the Chair.

**Hon. Wayne L. Furbert:** The average tax that they wanted to increase for them, that is how they learned to balance the budget, on the backs of labour, Mr. Speaker! We are trying to diversify and make this much more accountable for a wider group. I will say it again. They complain that we are increasing, that the charge for a scholarship would have been \$500 on \$50,000, one time a year. But they would charge \$500 of employee tax every month, \$500! And 12 times [\$500] is \$6,000 a year, Mr. Speaker!

And I challenge anybody to get up on this side. The employers from whom they were trying to increase, it was significant, significant! The Honourable Member who were talking about the restaurant stuff, he knows that they increase a retail tax from 0.0 per cent. Let us not forget . . . you guys forget your history.

So, Mr. Speaker, with those few remarks, now that they have all gone quiet, they probably have gone out back and to have some juice.

**The Speaker:** I suggest you go to Committee now. How is that?

**Hon. Wayne L. Furbert:** Mr. Speaker, I move that we go into Committee. Thank you.

**The Speaker:** Thank you.  
Deputy.

**House in Committee at 7:55 pm**

*[Hon. Derrick V. Burgess, Sr., Chairman]*

## **COMMITTEE ON BILL**

### **FOREIGN CURRENCY PURCHASE TAX AMENDMENT ACT 2019**

**The Chairman:** Honourable Members, we are now in Committee of the whole [House] for further consideration of the Bill entitled [Foreign Currency Purchase Tax Amendment Act 2019](#).

Minister, you have the floor.

**Hon. Wayne L. Furbert:** Thank you, Mr. Chairman.  
Mr. Chairman, I move clauses 1 through 3.

**The Chairman:** Continue.

**Hon. Wayne L. Furbert:** Mr. Chairman, this Bill seeks to amend the Foreign Currency Purchase Tax Act 1975 to increase the rate of tax.

Foreign Currency Purchase Tax Act 1975? Ah! I cannot even think of that date, that year 1975. Who was in power at that time, Mr. Chairman? I am not going to try to . . .

**The Chairman:** I was not born yet.

**Hon. Wayne L. Furbert:** I am not going to . . . moving ahead.

**The Chairman:** Move ahead.

**Hon. Wayne L. Furbert:** Foreign Currency Purchase Tax Act 1975 Act. I did not even . . . I missed that. Did all of you miss it? The Foreign Currency Purchase Tax Act 1975? Did we all miss that, 1975? I will repeat it again.

**The Chairman:** Minister, let us do clauses 1 through 3.

**Hon. Wayne L. Furbert:** Yes, I am sorry.

Clause 1 is the short title of the Bill and is self-explanatory.

Clause 2 amends the First Schedule to the Foreign Currency Purchase Tax Act 1975 to increase the rate of tax from 1 per cent to 1.25 per cent.

Clause 3 provides for commencement date, which is April 1<sup>st</sup>, 2019.

**The Chairman:** Any further speakers?

The Chair recognises the Honourable Member Pat Gordon-Pamplin.

You have the floor, Mrs. Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Chairman.

Mr. Chairman, clearly, nothing that we say matters. The people do not matter. And therefore, we have to accept the fact that the Government has chosen to push through this tax amendment Bill.

**The Chairman:** Member, Member. I think you need to withdraw that statement. This is the House of Parliament. I am here to listen to you, and what you say matters like any other Member. Please, do not insult the Chair.

*[Inaudible interjection]*

**The Chairman:** Okay. Can you withdraw that statement, please?

**Hon. Patricia J. Gordon-Pamplin:** Can I express it differently? I withdraw that statement if that is unacceptable.

**The Chairman:** Yes.

**Hon. Patricia J. Gordon-Pamplin:** But I am happy to say that the Government has decided that it is going to incur additional taxes on Mr. and Mrs. Bermuda. And clearly, by this tax upon the other tax upon the other tax, there is nothing we can do about it. So, therefore, we have to accept it.

**The Chairman:** So, you have nothing to say on clauses 1 through 3.

Would any other Member like to speak?  
Minister.

**Hon. Wayne L. Furbert:** Thank you, Mr. Chairman.

I move clauses 1 through 3, clauses 1 through 3.

**The Chairman:** It has been moved that clauses 1 through 3 be approved.

Are there any objections to that?  
There appear to be none.  
Approved.

*[Motion carried: Clauses 1 through 3 passed.]*

**Hon. Wayne L. Furbert:** I move that the Preamble be approved.

**The Chairman:** It has been moved that the Preamble be approved.

Are there any objections to that?

**Hon. Wayne L. Furbert:** I move that the Bill be reported to the House as printed.

**The Chairman:** It has been moved that the Bill be reported to the House as printed.

Any objections to that?

There appear to be none.

The Bill will be reported to the House as printed.

*[Motion carried: The Foreign Currency Purchase Tax Amendment Act 2019 was considered by a Committee of the whole House and passed without amendment.]*

**House resumed at 7:58 pm**

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

## **REPORT OF COMMITTEE**

### **FOREIGN CURRENCY PURCHASE TAX AMENDMENT ACT 2019**

**The Speaker:** Good evening, Members.

Is there any objection to the Foreign Currency Purchase Tax Amendment Act 2019 being reported to the House as printed?

No objections.

Moved as printed.

That now brings us on to the next Order of the Day, which is [Order] No. 6, the second reading of the Hotels (Temporary Customs Duty Relief) Amendment Act 2019. And I believe, Junior Minister, you will be leading this one, as well?

**Hon. Wayne L. Furbert:** Yes. Thank you, Mr. Speaker.

**The Speaker:** Yes.

**Hon. Wayne L. Furbert:** I do not expect a long discussion on this one unless they begin . . .

Mr. Speaker, with the Governor's recommendation, I move that this Bill entitled the Hotels (Temporary Customs Duty Relief) Amendment Act 2019 be now read the second time.

**The Speaker:** Are there any objections?  
None, continue.

**BILL****SECOND READING****HOTELS (TEMPORARY CUSTOMS DUTY RELIEF)  
AMENDMENT ACT 2019**

**Hon. Wayne L. Furbert:** Mr. Speaker.

**The Speaker:** Yes.

**Hon. Wayne L. Furbert:** The Bill proposes to extend the Hotels (Temporary Customs Duty Relief) Act 1991 by a further five-year period, expiring by March 31<sup>st</sup>, 2024. That provides a zero rate of customs duty on capital goods to be used in a capital investment scheme for hotels. Qualifying goods are listed in the Appendix of Public Notice 26, Customs Duty Relief, Hotels (Temporary Customs Duty Relief) Act 1991.

The items included in the list of goods are intended for the renovation and repurposing of hotels and guest houses. The duty relief for hotel redevelopment is easy to obtain. Any hotel may claim duty relief by making a customs declaration in respect of qualifying goods and specifying CPC 4509 in box 16 on that form. A copy of the relevant hotel licence should accompany the customs declaration. Detailed declaration guidance is easily accessible on the government portal.

Many properties have benefited from the Act that is due to expire on March 31<sup>st</sup>, 2019. Since the last extension of the Act in 2014, the hotel sector in Bermuda has benefited by receiving approximately \$12.7 million in duty relief on the renovation and repurposing of their facilities.

**An Hon. Member:** What was that amount?

**Hon. Wayne L. Furbert:** [It was], \$12.7 million.

Mr. Speaker, 2018 turned out to be another record-breaking year for the number of visitor arrivals from cruise ships. Cruise, air and yacht figures are combined with air arrivals growing by 4.6 per cent. Despite the success, hotel occupancy for the full year increased by only 1.1 per cent over 2017, to 63.7 per cent, which is still below the 2007 rate of 71 per cent. There is no doubt that every hotel with a licence relies on this concession. This includes hotel development prior to any order under the former Hotels Concession Act, or now the Tourism Investment Act.

Mr. Speaker, not all properties need or can afford the TIA at the investment levels stated. Upgrades are vital to maintain standards and the hotel licensing regulations and are monitored through compliance inspections twice a year. This concession helps hotels to comply with these regulations.

Mr. Speaker, the hoteliers have made it very clear to Government that they require this assistance to successfully navigate through these times. The ex-

ension of custom duty relief will allow industry to be better prepared for any challenges that lie ahead.

The hotels are generally committed to maintaining staffing levels wherever possible, while continuing to offer first-class service and amenities to the guests of their establishments. The extension of duty relief will encourage the properties to continue to upgrade in order to provide the greatest quality experience possible to both visitors and residents alike. The Government is equally committed to supporting this industry, as it provides a diverse range of good jobs to a wide cross section of Bermudians. Therefore, Mr. Speaker, the Government commends this Bill to the House . . . no, sorry.

**The Speaker:** You invite others to speak to it.

**Hon. Wayne L. Furbert:** I beg your pardon?

**The Speaker:** You are inviting others to speak to it.

**Hon. Wayne L. Furbert:** Yes. I would like to invite other Members to speak to the Bill. Yes.

**The Speaker:** Would any other Member wish to speak to this?

We recognise the Honourable Member from constituency 23.

Honourable Member, you have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you. Thank you, Mr. Speaker.

Mr. Speaker, we recognise the importance of hotel development and the incentive for hotels to bring their investments and their foreign currency into Bermuda to assist not just in the development of their capital project, but, in so doing, to assist our people to be put to work while these projects are being developed. This is, obviously, a positive thing for Bermuda.

The Hotels (Temporary Customs Duty Relief) Amendment Act 2019 really serves to extend the expiry date of this Act. It is an overarching Act, from 2019 into 2024, which is another five-year period of time. Given the positive benefits that this provides for us, or our people, notwithstanding that there is lost revenue to the government, we recognise that the other side of it shows that we are actually perhaps picking up money, because without people being employed, there is no payroll tax coming into the coffers, another situation where this would benefit Bermudians.

So, as a result of that, Mr. Speaker, we certainly have no objection. Certainly, it is a Bill that was extended last time, in 2014 under our administration, until 2019, where it will expire at March 31. And now we are including a further five-year extension to 2024. And there is no objection.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to speak?

None?

Junior Minister, you have the floor.

**Hon. Wayne L. Furbert:** Mr. Speaker, I move that this Bill be committed.

**The Speaker:** No objections to that, are there?

I did not think so.

Deputy.

### House in Committee at 8:04 pm

*[Hon. Derrick V. Burgess, Sr., Chairman]*

## COMMITTEE ON BILL

### HOTELS (TEMPORARY CUSTOMS DUTY RELIEF) AMENDMENT ACT 2019

**The Chairman:** Honourable Members, we are now in Committee of the whole for further consideration of the Bill entitled [Hotels \(Temporary Customs Duty Relief\) Amendment Act 2019](#).

Minister, you have the floor.

**Hon. Wayne L. Furbert:** Mr. Chairman, this Bill seeks to amend the Hotels (Temporary Customs Duty Relief) Act 1991—

**The Chairman:** Do you want to move—

**Hon. Wayne L. Furbert:** I am sorry. I am sorry.  
I move clauses 1 through 3.

**The Chairman:** Continue.

**Hon. Wayne L. Furbert:** This Bill seeks to amend the Hotels (Temporary Customs Duty Relief) Act 1991 so that the relief may be granted in respect of goods imported on or before 31 March 2024.

Clause 1 of the Bill is the citation and is self-explanatory.

Clause 2 amends section 7(2)(b)(i) of the Hotels (Temporary Customs Duty Relief) Act 1991 by deleting the reference to 2019 and substituting “2024.”

Clause 3 provides for commencement on the 1<sup>st</sup> of April 2014 *[sic]*.

**The Chairman:** Thank you, Minister.

Any speakers?

The Chair recognises the Honourable Member Pat Gordon-Pamplin. You have the floor, Mrs. Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, I believe the Minister misspoke, because he said the commencement comes at the 1<sup>st</sup> of April 2014. But, in fact, it comes into effect the 1<sup>st</sup> of April of 2019.

So, we have no objection other than that.

**The Chairman:** Okay.

Minister.

**Hon. Wayne L. Furbert:** Thanks, that is called *working together*.

*[Laughter]*

**The Chairman:** Okay. Very good.

**Hon. Wayne L. Furbert:** Thank you, Mr. Chairman.  
I move that the preamble be approved.

**The Chairman:** You want to do the clauses first.

**Hon. Wayne L. Furbert:** Oh, sorry. Yes, move clauses 1, 2 and 3 again.

**The Chairman:** It has been moved that clauses 1 through 3 be approved.

Are there any objections?

There appear to be none.

Approved.

*[Motion carried: Clauses 1 through 3 passed.]*

**Hon. Wayne L. Furbert:** I move that the preamble be approved.

**The Chairman:** It has been moved that the preamble be approved.

Are there any objections to that?

Approved.

**Hon. Wayne L. Furbert:** I move that the Bill be reported to the House as printed.

**The Chairman:** It has been moved that the Bill be reported to the House as printed.

Any objections to that?

Approved. The Bill will be reported to the House.

*[Motion carried: The Hotels (Temporary Customs Duty Relief) Amendment Act 2019 was considered by a Committee of the whole House and passed without amendment.]*

### House resumed at 8:07 pm

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

## REPORT OF COMMITTEE

### HOTELS (TEMPORARY CUSTOMS DUTY RELIEF) AMENDMENT ACT 2019

**The Speaker:** Members, is there any objection to the Hotels (Temporary Customs Duty Relief) Amendment Act 2019 being reported to the House as printed?

None.

So moved.

I believe that brings us to the close of the Orders of the Day.

Junior Minister, one more? Do you want to do [Order] No. 7, as well?

**Hon. Wayne L. Furbert:** Yes. Yes.

**The Speaker:** Oh. Okay. All right. We will move on to [Order] No. 7.

[Order] No. 7 is the second reading of the Restaurants (Temporary Customs Duty Relief) Amendment Act 2019.

Junior Minister, I believe you are going to be leading that one, as well.

**Hon. Wayne L. Furbert:** Yes. Thank you, Mr. Speaker.

**The Speaker:** Thank you.

## BILL

### SECOND READING

#### RESTAURANTS (TEMPORARY CUSTOMS DUTY RELIEF) AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** This is very similar to the Hotels (Temporary Customs Duty Relief) Amendment Act 2019. I am not going to go through a whole spiel, but this expires on March 31, 2019. I would ask now that the House approve a further five-year period, expiring March 31, 2024 [sic].

**The Speaker:** 2019.

**Hon. Wayne L. Furbert:** Yes, 2019.

**The Speaker:** Yes. Do not turn the clock back. And it may have been a good year, but we are not ready to go back just yet.

Would any other Member like to speak to that?

I recognise the Honourable Member from constituency 23.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, as we did in the previous Bill, and given that this actually has the same intent and purpose, we certainly support, and we have no objection to this Bill.

**The Speaker:** Honourable Member, Junior Minister.

**Hon. Wayne L. Furbert:** Mr. Speaker, I move that this Bill be committed.

**The Speaker:** Thank you.  
Deputy.

**House in Committee at 8:09 pm**

[Hon. Derrick V. Burgess, Sr., Chairman]

## COMMITTEE ON BILL

### RESTAURANTS (TEMPORARY CUSTOMS DUTY RELIEF) AMENDMENT ACT 2019

**The Chairman:** Honourable Members, we are now in Committee of the whole for further consideration of the Bill entitled [Restaurants \(Temporary Customs Duty Relief\) Amendment Act 2019](#).

Minister, you have the floor.

**Hon. Wayne L. Furbert:** Mr. Chairman, I move clauses 1 through 3.

**The Chairman:** Continue.

**Hon. Wayne L. Furbert:** Mr. Chairman, the Bill seeks to amend the Restaurants (Temporary Customs Duty Relief) Act 2002 so that relief may be granted in respect of goods imported on or before 31 March 2024.

Clause 1 of the Bill is the citation and is self-explanatory.

Clause 2 amends section 7(2)(b)(i) of the Restaurants (Temporary Customs Duty Relief) Act 2002 by deleting the reference to 2019 and substituting "2024."

Clause 3 provides for commencement on April 1<sup>st</sup>, 2019.

**The Chairman:** Any further speakers?

The Chair recognises the Honourable Member Pat Gordon-Pamplin.

You have the floor, Ms. Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Chairman.

As we did in the last Act, we have no objection to this.

**The Chairman:** Okay.  
Minister.

**Hon. Wayne L. Furbert:** Mr. Chairman, I move clauses 1 through 3.

**The Chairman:** It has been moved that clauses 1 through 3 be approved.

Are there any objections to that?

There appear to be none.

Approved.

*[Motion carried: Clauses 1 through 3 passed.]*

**Hon. Wayne L. Furbert:** I move that the preamble be approved.

**The Chairman:** It has been moved that the preamble be approved.

Are there any objections to that?

Approved.

**Hon. Wayne L. Furbert:** I move that the Bill be reported to the House as is.

**The Chairman:** It has been moved that the Bill be reported to the House as printed.

Any objections to that?

There appear to be none.

Approved.

The Bill will be reported to the House as printed.

*[Motion carried: The Restaurants (Temporary Customs Duty Relief) Amendment Act 2019 was considered by a Committee of the whole House and passed without amendment.]*

**House resumed at 8:10 pm**

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

## REPORT OF COMMITTEE

### RESTAURANTS (TEMPORARY CUSTOMS DUTY RELIEF) AMENDMENT ACT 2019

**The Speaker:** Good evening, Members.

Is there any objection to the Restaurants (Temporary Customs Duty Relief) Amendment Act 2019 being reported to the House as printed?

No objections.

So moved.

Now that brings us to the end of the items to be done on the Order Paper today.

Yes. Would you like to do your third readings?

### SUSPENSION OF STANDING ORDER 21

**Hon. Wayne L. Furbert:** Thank you, Mr. Speaker.

This is the Foreign Currency Purchase Tax Amendment Act 2019.

I move that Standing Order 21 be suspended to enable me to move that the Bill entitled the Foreign Currency Purchase Tax Amendment Act 2019 be now read the third time by its title only.

**The Speaker:** Any objections?

*[Motion carried: Standing Order 21 suspended.]*

## BILL

### THIRD READING

#### FOREIGN CURRENCY PURCHASE TAX AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** I move that the Bill be now read a third time by its title only and passed.

**The Speaker:** So done. So moved.

*[Motion carried: The Foreign Currency Purchase Tax Amendment Act 2019 was read a third time and passed.]*

**The Speaker:** Would you like to do the next item?

### SUSPENSION OF STANDING ORDER 21

**Hon. Wayne L. Furbert:** Yes, the second one is the Financial Services Tax Amendment Act 2019.

I move that Standing Order 21 be suspended to enable me to move that the Bill entitled the Financial Services Tax Amendment Act 2019 be now read the third time by its title only.

**The Speaker:** Are there any objections to that?

*[Motion carried: Standing Order 21 suspended.]*

**The Speaker:** Continue, Minister.

## BILL

### THIRD READING

#### FINANCIAL SERVICES TAX AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** I move that the Bill be now read a third time by its title only and passed.

**The Speaker:** No objections?

So moved.

So passed.

*[Motion carried: The Financial Services Tax Amendment Act 2019 was read a third time and passed.]*

**The Speaker:** Would you like to do the next one?

### SUSPENSION OF STANDING ORDER 21

**Hon. Wayne L. Furbert:** Hotels (Temporary Customs Duty Relief) Amendment Act 2019.

I move that Standing Order 21 be suspended to enable me to move that the Bill entitled the Hotels (Temporary Customs Duty Relief) Amendment Act 2019 be now read for the third time by its title only.

**The Speaker:** Any objections?

*[Motion carried: Standing Order 21 suspended.]*

## BILL

### THIRD READING

#### HOTELS (TEMPORARY CUSTOMS DUTY RELIEF) AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** I move that the Bill be now read a third time by its title only and passed.

**The Speaker:** Any objections?

None.

So moved.

*[Motion carried: The Hotels (Temporary Customs Duty Relief) Amendment Act 2019 was read a third time and passed.]*

### SUSPENSION OF STANDING ORDER 21

**Hon. Wayne L. Furbert:** The last one, Mr. Speaker, Restaurants (Temporary Customs Duty Relief) Amendment Act 2019.

I move that Standing Order 21 be suspended to enable me to move that the Bill entitled the Restaurants (Temporary Customs Duty Relief) Amendment Act 2019 be now read the third time by its title only.

**The Speaker:** Any objections?

No objections.

*[Motion carried: Standing Order 21 suspended.]*

**The Speaker:** Continue.

## BILL

### THIRD READING

#### RESTAURANTS (TEMPORARY CUSTOMS DUTY RELIEF) AMENDMENT ACT 2019

**Hon. Wayne L. Furbert:** I move that the Bill be now read a third time by its title only and passed.

**The Speaker:** Any objections?

No objections.

So moved.

*[Motion carried: The Restaurants (Temporary Customs Duty Relief) Amendment Act 2019 was read a third time and passed.]*

**The Speaker:** Mr. Premier.

## ADJOURNMENT

**Hon. E. David Burt:** Good evening, Mr. Speaker.

Mr. Speaker, I move that this Honourable House do now adjourn until Wednesday, March 13<sup>th</sup>, at 10:00 am.

**The Speaker:** No Members wish to speak to that?

*[Laughter]*

**An Hon. Member:** Easy.

**Some Hon. Members:** Oh! Oh! Oh!

**The Speaker:** I will recognise the Honourable Member from constituency 10.

Honourable Member, you have the floor.

**Hon. Michael H. Dunkley:** Thank you, Mr. Speaker.

**The Speaker:** Yes.

**Hon. Michael H. Dunkley:** You were looking the other way, so I just had to let out a little cough so you did not miss me.

**The Speaker:** Well, the gavel was in my hand and about to go down.

**Hon. Michael H. Dunkley:** I saw that. I saw that.

Mr. Speaker, "fiscal discipline" in words, but not in action. Mr. Speaker.

**The Speaker:** Yes.

## PROFESSIONAL SERVICES/CONSULTANTS AND ADVISORS

**Hon. Michael H. Dunkley:** After having answers to Parliamentary Questions delayed and deferred by the Honourable Premier, it was certainly not surprising for me this morning that answers were provided after a Ministerial Statement that the Honourable Premier delivered to this Honourable House in which the Honourable Premier expressed his support for each Minis-

ter not only having an advisor or a consultant, but also, Mr. Speaker, for *ministerial private offices*, Mr. Speaker.

Now, Mr. Speaker, I, like my colleagues, always try to keep my ears close to the ground, my eyes on the horizon. And I have enough experience to [sniff] out things—

*[Inaudible interjections and laughter]*

**The Speaker:** Members, Members!

**Hon. Michael H. Dunkley:** Even though it is shocking, Mr. Speaker, in 20 months this Government has lost the trust of many of the people who elected them and have supported the renewal of things that got them into trouble last time in Government. And I state that one of those things is a friends-and-family plan.

**An Hon. Member:** Speak to your Members.

**The Speaker:** Speak to the Chair.

**Hon. Michael H. Dunkley:** Mr. Speaker, the delay and the deferment was, in my humble opinion, because the Honourable Premier needed some time to come up with this Statement in which the answers would not appear as shocking as they were. But they are, Mr. Speaker. Because six Ministers and the Premier have had advisors or consultants, and by listening to the Honourable Premier's Statement, the numbers will grow. And I will list them, Mr. Speaker, from the [answers](#) that I received this morning.

- the Minister of Economic Development and Tourism (now the Minister without Portfolio) has an advisor.
- the Minister of Education has an advisor.
- the Minister of Transport and Regulatory Affairs/Minister of Home Affairs, has an advisor.
- the Minister of Legal Affairs has a consultant.
- the Minister of Public Works has a consultant.
- the Minister of Transport and Regulatory Affairs had a consultant for a period of time.

When questioned by the Honourable Opposition Leader, the Premier stated that they would be paid full-time at PS level 36, which I believe is about \$118,000, Mr. Speaker.

Mr. Speaker, learning all of this after the recent conversations in the media that a gang consultant received a hefty raise, from \$92,000 to \$125,000 per year, because he asked for it, he said, and it was uncovered after questioning . . . learning this after a highly paid appointment over in the Brussels office . . . Mr. Speaker, this, to many Bermudians, is unreal. Bermudians are struggling from one end of the Island . . . and I hear Honourable Members on that side say, *What?* Well, it is true. Bermudians are struggling from one end of the Island to the other.

The economy is going backwards.

*[Inaudible interjections]*

**The Speaker:** Members! Members!

**Hon. Michael H. Dunkley:** We are likely, Mr. Speaker, back in a recession. Stores are closing. Raises are hard to come by as business is weak. The bungled sugar tax has put a burden on consumers. And the Government now, Mr. Speaker, is doubling down with version two of the sugar tax. Costs across the board have been rising.

*[Inaudible interjections]*

**The Speaker:** Member! You need to quiet up.

**Hon. Michael H. Dunkley:** Even some Government departments, Mr. Speaker, do not have the promised raise of 2 per cent, or 2.5 per cent—and the Government has not clarified which it is. Whichever one, the PLP Government has not paid it to all of the government departments. And yet . . . and yet, the PLP Government deems it appropriate to put well-paid advisors in front of Bermudians.

Mr. Speaker, but it gets worse. It actually gets worse than this, Mr. Speaker, because if you look at the Statement that the Honourable Premier presented to this House this morning, the Honourable Premier says that he now supports the SAGE recommendations that Ministers should have a private office. And he says, and I quote, “to relieve the Permanent Secretaries of the day-to-day tasks associated with Ministers’ needs.” That is interesting, Mr. Speaker.

The Honourable Premier then in this Statement, which I am looking at, tried to tie into—I am not saying that he does, but he tries to tie into—it a 2011 (and it is on page 1) Civil Service Review, which the PLP Government, I believe at the time, rejected or simply did nothing about, Mr. Speaker. So, here we are.

Now, for the record, I never supported the SAGE recommendation that the Premier refers to about ministerial private offices. And that position has not changed. And I say that because people will ask the question.

Mr. Speaker, I find it very interesting that the Honourable Premier now says that he supports the recommendation. But in the last two Budget Statements, and I believe in the last two Throne Speeches delivered by the PLP Government (and I am happy to be corrected if I am wrong, Mr. Speaker), the only mention that I see of SAGE recommendations is in the 2017 Throne Speech when it refers to a commitment, Mr. Speaker, which you would be very familiar with, to establish three Parliamentary Oversight Committees of the House. Nothing about consultants to Ministers. Nothing about advisors to Ministers. Nothing about private offices. Nothing, Mr. Speaker.

So, Mr. Speaker, there has been no clarification or correction from the Honourable Members on that side. And I ask why this policy has changed or has been pulled out of the air somewhere, Mr. Speaker? Why has it only now seen the light of day? Mr. Speaker, why have the actions in approving these positions been kept secret? Mr. Speaker, in my view, this whole scenario is unacceptable for a number of reasons, not for the least that the Minister of Finance has talked about a current poor fiscal position that we find ourselves in—made a great, great deal about it.

But, Mr. Speaker, in addition, I believe it is a feeble and frail attempt to justify the spending of taxpayers' dollars after being exposed. Mr. Speaker, in addition, it goes against the public comments of the Minister of Finance regarding that financial discipline which I referred to, and it shows that family-and-friends is back in full effect.

Now, furthermore, Mr. Speaker, here we are tonight. We have crossed the halfway point of this Budget Debate. And if questions had not been asked, I believe that this issue would have been kept in the dark. Now, Mr. Speaker, last time I checked, and I listened a lot in the Budget Debate, but they said that we had to pay in the coming year \$116 million per year in interest—\$116 million a year in interest. However, this Government, with the sign-off of the Honourable Premier, which he has the full authority to do under the Ministerial Code of Conduct, I must say that, Mr. Speaker, has quietly and without transparency hired numerous advisors and consultants for Ministers, and now states that they need private offices and staff, Mr. Speaker.

Where does it end?

Where does it end? None of this is in the Budget.

Now, Mr. Speaker, this is not putting Bermudians first. This is putting themselves first, putting themselves second and third. This is not fiscal discipline, Mr. Speaker, but tax-and-spend under cover of darkness. And, Mr. Speaker, I hear Honourable Members saying, *You know your cocktail is coming,* Mr. Speaker.

*[Inaudible interjections and laughter]*

**The Speaker:** Just speak to the Chair. Just speak to the Chair. That is all.

**Hon. Michael H. Dunkley:** I am speaking to you.

**The Speaker:** Speak to the Chair.

**Hon. Michael H. Dunkley:** But, you know, be that as it may, it does not bother me, Mr. Speaker.

**The Speaker:** Speak to the Chair.

**Hon. Michael H. Dunkley:** Because I do not work for them. I work for the people of Bermuda, Mr. Speaker.

*[Inaudible interjections]*

**The Speaker:** Speak to the Chair. Speak to the Chair.

**Hon. Michael H. Dunkley:** So, now I hear, Mr. Speaker—

**The Speaker:** Members! Members!

**Hon. Michael H. Dunkley:** I do not want to hear anybody from Government say how hard they work! I do not want to hear anybody from Government say that people need support to do their job, because it was not in Throne Speeches. It was not in the Budget Debate, Mr. Speaker.

We did it, Mr. Speaker! We did the same job that they did, Mr. Speaker. And in the past, many Ministers had to struggle with the same challenges that they struggle with, Mr. Speaker.

And you know what, Mr. Speaker? I believe that Ministers get a reasonable salary for the work they do, and I believe the people of Bermuda believe that, as well, Mr. Speaker.

But, Mr. Speaker, what I find interesting is that the Honourable Premier loves to take a picture with every moment, loves to make a big deal—

*[Laughter and inaudible interjections]*

*[Gavel]*

**Hon. Michael J. Scott:** Point of privilege, Mr. Speaker! Point of privilege.

**The Speaker:** Members! Members! Members!

**Hon. Michael H. Dunkley:** Mr. Speaker, he loves to make a big deal—

*[Inaudible interjections]*

**The Speaker:** Speak to the Chair, speak to the Chair, speak to the Chair.

**Hon. Michael H. Dunkley:** Mr. Speaker, he loves to make a big deal about everything.

But, Mr. Speaker, until the Honourable Premier was pressed and prodded in the House, we heard nothing about it.

Now, Mr. Speaker, I believe that we need to do better about this. And while the Government might laugh and make fun of this, Mr. Speaker, Bermudians are struggling. Bermudians are struggling.

*[Inaudible interjections]*

**The Speaker:** Members!

**Hon. Michael H. Dunkley:** Taxes are rising, Mr. Speaker. The cost of living is rising. And about 11 per cent of everything the Government raises goes towards paying off that debt that I referred to, Mr. Speaker.

*[Inaudible interjections and laughter]*

**Hon. Michael H. Dunkley:** Mr. Speaker, consultants and advisors will always face political smack. We know that when we were on that side, we faced political smack all the time about consultants and advisors. But this takes it to a new level, Mr. Speaker. It takes it to a new level. And Bermudians are wondering why they should accept it.

The OBA was the Government, and we answered the questions, repeated questions, about consultants. It was relentless up here in the House of Assembly. And they have every right to do it on the Opposition side. But, Mr. Speaker, we reduced the number of consultants. We reduced the money that was spent for the consultants. And we saved taxpayers' money in doing so, Mr. Speaker.

**An Hon. Member:** And then you had a boat race.

**Hon. Michael H. Dunkley:** And then, the Honourable Member says, *we had a boat race*. And that is fine! They can talk about that. We had a boat race that put Bermuda on the map and helped us go forward! But, Mr. Speaker, now we are going backwards under this Government.

Mr. Speaker, we are going backwards.

But I do roll forward. I roll forward to the current position we are in, Mr. Speaker. And now, Mr. Speaker, we are at another level. Many Bermudians are questioning the fact of why the increase in consultants. Mr. Speaker, last October, I believe, or November, when the Honourable Premier stated that Cabinet was reshuffled and the size of Cabinet would be decreasing, the Honourable Premier at the same time made an announcement about a Minister without Portfolio and a Minister in the Cabinet Office. Now, Mr. Speaker, we learn that that Minister without Portfolio actually has an advisor. So, a Minister without Portfolio, and if this makes common sense and good sense, let us hear it. But we have a Minister and an advisor in one office—no portfolio, Mr. Speaker.

Mr. Speaker, at the very least, if the Premier came today he should have tabled the contracts of all what people did, because there could have been some justification. There could have been some justification. And now, Mr. Speaker, we hear in the answers provided that there is a consultant in the Ministry of Legal Affairs who is often heard saying, on a talk show, *I'm not a lawyer*. But is a consultant in Legal

Affairs. I guess, Mr. Speaker, that is because the person stays at a Holiday Inn.

Now, what is interesting, considering all of this, if you add it all up, you have to connect the dots, Mr. Speaker. The number of consultants, who the consultants are, and the fact that it was brushed under the carpet by the Minister without Portfolio in a recent debate that Inter-Island Communications had been engaged by the Department of Communications in a fee-for-service contract, Mr. Speaker, for advertising on IIC stations.

**Hon. Jamahl S. Simmons:** Point of order, Mr. Speaker.

**The Speaker:** We will take your point of order. Take the point of order.

#### POINT OF ORDER

*[Misleading]*

**Hon. Jamahl S. Simmons:** The Honourable Member is misleading the House. I did say that all contracts would be on the website. And they were.

Thank you, Mr. Speaker.

**The Speaker:** Thank you. Member.

**Hon. Michael H. Dunkley:** Mr. Speaker, thanks for the point of clarification. The contracts were published probably about 24 hours later. I find it interesting that they were published 24 hours later. But what they did not say, Mr. Speaker, was what the total cost of the contract was. They just said, Mr. Speaker, *for Ministerial Statement, \$150. For an interview with the Minister . . . I think it was \$150. For a radio spot, \$35*. So, what is the charge? It is a one year fee-for-service contract. Is it \$50,000? Well, we know it is more than that, because it had to be gazetted. Is it \$199,000? Is it \$299,000? What is the charge, Mr. Speaker?

So, some of this would be considered wastefulness with borrowed money. Some would be considered improper use of taxpayers' money without full transparency. But, Mr. Speaker, it is more than this. In my humble view, Mr. Speaker, it is a very secret and manipulative attempt by the Government to launch a propaganda machine on the backs of Bermudians. Connect the dots, Mr. Speaker—political advisors, consultants, contracts that are out there.

And I hear Members whistling under their breath. Go ahead and do what you have got to do. Those tactics are dying just like we are from day-to-day, Mr. Speaker.

**The Speaker:** Just speak to the Chair. Speak to the Chair.

**Hon. Michael H. Dunkley:** Mr. Speaker, it is launching a propaganda machine around taxpayers' money. That is the failed guys under the camouflage, under the camouflage, Mr. Speaker, of Government business being put in place to serve the people.

Mr. Speaker, as American Express has always said, *Membership has its privileges*. And it is clear now, Mr. Speaker, with little justification from what has been uncovered today, it sends a chilling message across the Island. From one end of the Island to the next, this Government says, *Do as I say and not as I do*, Mr. Speaker.

So, as I close, Mr. Speaker, there is no justification for what we have uncovered today. And this Opposition will not back down in spite of criticism by this Government. We will speak loud and vociferous for the hard-working people of Bermuda, who now realise that *putting Bermuda first* is only when they want it to be put first, Mr. Speaker! Many people are critical of these actions, and you cannot justify what has been uncovered today. Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to speak?

I recognise the Honourable Member, Minister Simmons.

#### PROFESSIONAL SERVICES/CONSULTANTS AND ADVISORS

**Hon. Jamahl S. Simmons:** Thank you, Mr. Speaker.

Mr. Speaker, since the late 1990s, the Honourable Member who took his seat has floated the notion of a friends-and-family plan, repeatedly floated the notion. And, Mr. Speaker, I would just like to read a quote for you. And I am going to explain a little bit about why the strategy has been deployed, to talk about a friends-and-family plan.

Before I begin, however, let me declare my interest. My wife is one of the people listed on the information that the Government has put out today. I can tell the public that I did not sit in Cabinet when that contract was discussed, nor was I involved in it.

But having said that, Mr. Speaker, I am going to read you something, and this is something that I think that the listening audience should listen to. When you hear the words "friends and family," I am going to explain the roots, the root of this tactic.

And I quote, "Don't forget you must pitch the old Black male vs. the young Black male, and the young Black male against the old Black male. You must use the dark skin slaves vs. the light skin slaves and the light skin slaves vs. the dark skin slaves. You must use the female vs. the male, and the male vs. the female. You must also have your white servants and overseers distrust all Blacks . . ." And that is a quote from the Willie Lynch letter.

Mr. Speaker, if you listen to the One Bermuda Alliance closely, they would have you believe that membership with the PLP, hung out with the PLP, went to high school, kind of knows you, sat next to you in class should disqualify you from serving your country. Using your skills, your knowledge, your intellect and your experience denied because of whatever party you are affiliated with or the people you happen to be connected by blood with, Mr. Speaker.

If you listen to the One Bermuda Alliance, Mr. Speaker, since they were the UBP in the 1990s talking about friends and family, you would believe that every consultant, every contract, everything that is done by a PLP Government is corrupt. It is a backroom deal. It is shady. It is all this, right? Mr. Speaker, there is a reason why they have been deploying this tactic for so many years, despite name changes and despite re-brandings and re-imaginings.

First, the UBP recognised that they had an inability to attract the masses of black voters. They deployed a strategy in 2003 and in 2007 of voter suppression, not in the traditional sense—not in the traditional sense, Mr. Speaker. But in the sense of this: If I cannot get you to love me, then I need to focus my energy on making you hate them. And so, recognising you could not draw people to you, you were determined to drive people from you. That was tried in 2003 and failed, tried in 2007 and failed. But it succeeded in 2012, and the outcome speaks for itself. People did not switch their vote; they stayed home.

So, go back to the 2012 [campaign]. So, raise the PLP's negatives. Use innuendo. Use name-calling. But drive the people away from it—Willie Lynch tactics. If you can create the perception that the PLP is corrupt, that their hands are in the cookie jar, if you can shape that and build that in people's minds, they may not vote for the OBA, but they will have trouble voting for us.

So, let us talk a little bit about that, right? They are focused on travel costs since the 1990s. The focus has never been whether the travel was effective. The focus has never been whether the travel delivered on what was promised. The focus was a sly innuendo, *You see them taking all those trips? You see them out there on the plane all the time? Trying to take your money and spend it willy-nilly*. That has been the coded message and undercurrent under what has been said.

That is why they focused on GP cars, Mr. Speaker. They did not talk about how many hours the Minister did or how productive he was or she was, or any of that. No. *You see them? They are driving around in those cars. They even had their children in the car! They had groceries in the car, Mr. Speaker!* You lived it. You have seen it, right? That is why they focus on who was hired since the 1990s, instead of why they were hired.

Understand this, Mr. Speaker. In my opinion, the friends-and-family argument is divisive and racist

to the core. Let me say it again. It is divisive and racist to the core. If you look up examples of black stereotypes, Mr. Speaker, what do you see? You see a mirror image of what they have tried to portray us as. Simple and childlike, and their supporters refer to our people as what? *Sheeple, Kool-Aid drinkers*. They also use stereotypes that are ignorant, lazy, buffoonish and thieving.

So, Mr. Speaker, I am sure you notice the parallels of the narrative that has been spread since the late 1990s. But that is not the only reason that I believe this friends-and-family narrative is racist, Mr. Speaker. Mr. Speaker, earlier in my remarks . . . Well, I should say this. No, Mr. Speaker. Almost every single PLP appointee has been questioned, has been disparaged, has been smeared—you name it. But I can speak of one who was not, an appointee whom I made, Mr. Speaker, an appointee who was a former PLP Senator, and appointee who was a former PLP candidate.

Mr. Speaker, I appointed Jonathan Smith to the Bermuda Casino Gaming Commission because it was the right thing to do, because he was qualified and capable, and I had confidence that he could do the job as delivered. But we did not hear one peep, not one peep about friends and family when it came to him, not a dicky bird about friends and family when it came to him. And I have to ask why? Why, Mr. Speaker? What was different about Jonathan Smith? He was a PLP candidate. He was a PLP Senator. He was, in their words, the very definition of friends and family. But there clearly was a difference, Mr. Speaker. There clearly was a difference.

Mr. Speaker, I want to use some quotes. We can talk about this friends-and-family narrative. On the appointment of former Tourism Minister, Renee Webb, to the Brussels Office to defend our interests and help deal with some of the madness out there, the Honourable former Premier, who just took his seat, said, *It seems this could be a friends-and-family plan*. He did not acknowledge her abilities. He did not acknowledge her experience. It was immediately denigrated and reduced to innuendo and stereotypes.

Mr. Speaker, a Member who sits in another place wrote, and I quote, "It would seem that only the political elites are benefiting in this declining economy . . . It is unconscionable that in these times, the Premier should be acting in this very privileged fashion that is light years away from the lifestyle of most of the Bermudians who voted for him." Senator Nick Kempe. Divide, divide, divide.

*[Inaudible interjections]*

**Hon. Jamahl S. Simmons:** Oh, I am sure.

Mr. Speaker, I am going to use a phrase that we have not heard a while in this Chamber. I contend that the One Bermuda Alliance is not operating with clean hands and pure hearts. Because if they were,

Mr. Speaker, they would remember the names of their consultants, Louise Jackson, Don Grearson, Charmaine Burgess, Judy Benevides, Ambrosio and all the rest. They forgot about David Dodwell, whom they appointed to the head of the BTA [Bermuda Tourism Authority].

**Some Hon. Members:** Oh! Oh! Oh!

**Hon. Jamahl S. Simmons:** Former Tourism Minister, former UBP candidate. But that was not friends and family. You know why that was not friends and family? Because, you know, *We trust him. He has got the best interests of the country at heart*. Those are the lyrics you hear. They forgot about how they appointed Allen Dunch to the head of the Gaming Commission, whom the Minister that appointed him described as "a mentor." My, my, my! Mr. Speaker, maybe they forgot, or maybe their ethics are situational, at best.

Mr. Speaker, I want to make something clear. I want to declare my interest, fully. I am related to the Simmons, the Butterfields, the Williams, the Smiths, the Bascomes, the Listers, the Snaiths, and more, and the Dolans. No Caines yet, no Caines yet. I have not found them yet.

*[Laughter]*

**Hon. Jamahl S. Simmons:** Unlike some of the characters that that party put through the last election, I have deep ties in this country. Understand? I have deep ties in this country. I am a proud graduate of West End Primary. I am a proud graduate of the Berkeley Institute. And I am a proud graduate of Howard University, Mr. Speaker. I worked at VSB, ZBM, Oracle Communications, Cabinet Office, Shell Company of Bermuda, Bermuda Health Care Services, Security Associates, and acted as a marketing consultant for many, many others. And I had a lot of girlfriends, Mr. Speaker.

**An Hon. Member:** Watch yourself now.

*[Laughter]*

**Hon. Jamahl S. Simmons:** But, Mr. Speaker, if the OBA had their way, every person whom the PLP touched, talked to, saw, was related to . . . when Dr. Brown had somebody from Howard University, they talked about the "Howard University Mafia"—disqualified. You run down the list, Berkeleyites. It is all this innuendo about connections.

But, Mr. Speaker, unlike a lot of them, we have deep connections in this community. That is real, okay?

Dr. Brown once said, *You know, in Bermuda, if you don't appoint your friends and family, who are you going to appoint? Your enemies? Who are you going to appoint, the enemies?*

Mr. Speaker, it is wrong, and I refuse to accept a Bermuda where a person can be denied the opportunity to use their intellect, their experience, their wisdom, their education to serve this Government because the OBA says that they are in the wrong party or they are the wrong colour or they are the wrong this or the wrong that, or any other listed experience except, *Can they do the job?* Mr. Speaker, can they do the job? I refuse to accept a Bermuda where the integrity of people who are put forward to serve is questioned publicly by OBA politicians who show their face and the cyber-Klansmen supporters online who conceal theirs.

Thank you, Mr. Speaker.

*[Desk thumping]*

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

Does any other Member wish to speak?

I recognise the Honourable Member from constituency 9.

Honourable Member.

*[Inaudible interjections and laughter]*

**The Speaker:** Ah, ah! Members! Only one Member has the floor, and that is the Honourable Member from constituency 9.

Honourable Member Moniz, you have the floor.

### EU BLACKLISTING OF BERMUDA

**Hon. Trevor G. Moniz:** Thank you. Thank you, Mr. Speaker.

No, Mr. Speaker, I will not engage that Honourable Member who just spoke on the politics of distraction. I want to get back to the business of the people of Bermuda.

Today, Reuters carried a report that tomorrow the EU will be blacklisting Bermuda.

*[Inaudible interjection]*

**Hon. Trevor G. Moniz:** Potentially; that is right. It has been reported.

Now, I think the people of Bermuda deserve to have a report from the Government of Bermuda on what is the situation. I understand, I saw that a lot of the Ministers were missing today, and they were shooting around in their cars, et cetera. They were not in the Chamber in their seats. I saw them shooting off.

*[Inaudible interjection]*

**Hon. Trevor G. Moniz:** I understand there were meetings.

**Hon. Wayne Caines:** Point of order.

**The Speaker:** Point of order.

### POINT OF ORDER

*[Misleading]*

**Hon. Wayne Caines:** The Member is misleading the House. Ministers were not missing this morning or any time this day in large numbers from any part of this debate. That Member is misleading the House.

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

**Hon. Trevor G. Moniz:** We can just disagree on that, I guess, Mr. Speaker. Thank you.

**The Speaker:** Well, as you know, Member, Members slip in and out of here all day.

**Hon. Trevor G. Moniz:** That is true. That is true.

**The Speaker:** Continue on. Continue on. I will not call names of any Member. I am just asking you to continue on.

**Hon. Trevor G. Moniz:** Mr. Speaker, I am presuming that on a matter as important as this, there were meetings that took place. In fact, I know that there were meetings that took place. I think the country deserves a report from the Premier. The country, the people of Bermuda deserve a report. We have seen a report from Reuters, which has reported. The comments in the local media are that the Government could not be reached for comment. I think the people of Bermuda deserve a comment, deserve to know where Bermuda is, and the Government should not be running and hiding from the situation. They need to tell the people of Bermuda where we are.

There is no need for the Minister of Home Affairs to get angry at . . . the Minister of National Security to get angry about it. I am just asking them to report to the people of Bermuda. That is all I am asking. It is being reported [by the press]. People will know what is in there. There have been reports that the European Commission argues that the Island has been playing games to dodge the EU requirement. So, there are reports that Bermuda is in a bad place. And, potentially, tomorrow there is a meeting that may put us on a blacklist. And the people of Bermuda want to know where we are. And I think that they deserve some answer from the Government in this House tonight. The Government have the opportunity to answer. They should not be angry about it. They should welcome it.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Honourable Member. I recognise the Honourable Minister. Minister Caines.

### OBA's DIVISIVE POLITICS

**Hon. Wayne Caines:** Mr. Speaker, if you know anything about the Progressive Labour Party Government, and the leader who now leads this party, you would know and the Opposition would know that he does not run from anything. And like any challenge that we have faced, we will face this head-on at the appropriate time. We will not take our guidance, our prodding, from the press. We will apprise this country of our status in the appropriate manner.

Mr. Speaker, I listened to the MP Dunkley. And I listened to the arrogance. And I say that, Mr. Speaker, without casting any aspersions—

*[Inaudible interjections]*

**Hon. Wayne Caines:** —on the character of the Honourable Member of Parliament. But we have to understand that we all have to take a tack when standing in this House. We cannot on the one hand say *I am for this country being together, working together as the people of Bermuda*, and on the other hand speak as if we are denigrating the Government and vehemently segregating the people of Bermuda.

Let me give you an example, Mr. Speaker. In the early part of this year . . . excuse me, in the middle of last year, the Government was doing a FinTech initiative. We met with people within the Progressive Labour Party caucus, and we discussed it. We hashed it out before it went to public. We discussed the length, the breadth, the challenges. How would Bermudians get jobs? And what will the downside be? How will we get through banking? And as a party, we worked through it.

We are not homogeneous in thought or in action or in the way we think. And so, like with anybody else, it took us some time understanding and working through it as an organisation. Some of our Members were sceptics. And within our meetings, they shared their scepticism. And we were able to outline the pitfalls and the challenges, and we were able to work and come out of the meeting, singing on the same chorus.

We then said, *We have to do this with the stakeholders in the community*. And so, the FinTech team went on a roadshow. We went to a number of the alphabet soup, ABIC, ABIR. We went to the schools, and we shared what the vision was for FinTech. Just before it became public, just before the legislation came, we met with the Opposition. And a number of Members of the Opposition came to our offices, and we went through the legislation line by line, precept upon precept. Many Members in the room, they challenged us. Many Members of the Opposition, they challenged us on the legislation. It was not acrimonious; it does not have to be. They challenged us on the direction that we are going in.

And in that meeting, at that time, the Honourable Member Michael Dunkley said nothing. We were given the opportunity to say the challenges that we had with the legislation, Mr. Speaker, understanding the pitfalls, understanding the challenges. That Member, when it counted, when his colleagues sat in that room and they shared with us the challenges, the problems, the concerns they had, he sat in the meeting where it was designed in a consultative basis, where we could work together collaboratively on behalf of the people of Bermuda. He was given the opportunity to voice his concerns legitimately, meeting with people. He sat in that room mute! Not one word.

**Hon. Michael H. Dunkley:** Point of order, Mr. Speaker.

**The Speaker:** Yes. We will take your point of order.

### POINT OF ORDER

**Hon. Michael H. Dunkley:** I should add that the Honourable Member is being scarce on some facts here. The meeting was one day before the legislation was to be debated in the House. And the next day, when the legislation was to be debated, there were amendments added to it, Mr. Speaker. We were not, in my view, invited to a meeting to have a lovefest with Government. We were invited to the meeting to get a better understanding of what was taking place, and then to debate it on the floor of the House of Assembly.

I took the invitation. I listened. I learned. And then I had concerns. Thank you, Mr. Speaker.

*[Laughter]*

**The Speaker:** Honourable Member.

He has made his point. You can continue on.

**Hon. Wayne Caines:** And that shows you the cut of that Honourable Member's jib. He was given the opportunity in the room. He did not read up beforehand. He did not offer his concerns in that room.

But let me tell you what that Honourable Member did. He had concerns, yes. So, there is the Honourable Member in this House who speaks of "Bermuda incorporated," and wanted to work on behalf of the people. And then it is the Member of Parliament who puts it down and becomes the milkman on Twitter. And the milkman on Twitter goes, and he disparages the Government. He disparages the work that the Government is doing.

Case in point, the Member goes to Miami. And he meets with an overt protagonist who has a problem with a potential company that is coming to Bermuda. He meets with that man. He meets with that man, he discusses all of the challenges that that man has with this particular company. He does not come back and take his concerns, legitimately, as a former

leader, as a diplomat, as a former head of state. He does not go to the Bermuda Monetary Authority, with dignity. He, the former leader of this country, with an alias, with a *nom de plume*, gets online and, like—

*[Inaudible interjection]*

**The Speaker:** Speak to the Chair.

**Hon. Wayne Caines:** He gets online and starts twitting his findings. And that is a legitimate course of action for him. But then, at the same time, you are saying you are working in the best interests of Bermuda. The man whom he met with, the man whom he is working with right now, the man whom he was speaking with right now, guess what? He is enthralled in civil litigation in Miami, Florida, as we speak.

**Hon. Michael H. Dunkley:** Mr. Speaker.

**The Speaker:** Yes.

#### POINT OF ORDER

*[Misleading]*

**Hon. Michael H. Dunkley:** The Honourable Member is misleading the House. And I go back. I am not talking about what he is saying right now, Mr. Speaker. The gentleman whom he refers to originally, Mr. Speaker—

*[Inaudible interjections]*

**The Speaker:** Wait, wait, wait.

**Hon. Wayne Caines:** Whom do you refer to?

**Hon. Michael H. Dunkley:** The person in Miami, Mr. Speaker.

**Hon. Wayne Caines:** Who was it?

*[Inaudible interjections]*

**The Speaker:** Members, Members.

**Hon. Michael H. Dunkley:** If you need me to refresh the name because you have forgotten it since you sat down, I am happy to do it.

Mr. Speaker, the gentleman supported the company initially.

**An Hon. Member:** Who is it?

**Hon. Michael H. Dunkley:** And then, when he found out what they were about, he turned on them, Mr. Speaker. And what was my advice to him? To contact the Bermuda Monetary Authority. That was my advice, Mr. Speaker.

**Hon. Wayne Caines:** The point I am making, the point I am making, Mr. Speaker, is that, as a Member of this House, he was given the opportunity. He understands the mechanism. And he knows the way that we deal with it. Before he speaks to the Bermuda Monetary Authority, he takes what he believes are the findings, and he submits them on . . . he submits his responses on Twitter.

Mr. Speaker, we—

*[Inaudible interjections]*

**Hon. Wayne Caines:** And he thinks those comments affect me.

**The Speaker:** Do not get sidetracked. Just—

**Hon. Wayne Caines:** No, he thinks that comment would affect me.

**The Speaker:** Do not get sidetracked. Speak to the Chair. Speak to the Chair.

**Hon. Wayne Caines:** Mr. Speaker, this is a man now who speaks of the Government spending. We listened to him talk about the Government, the Ministry of National Security going above and beyond its \$134 million allotment. He asked in the House for me to go abroad, during his speech, and get information and bring it back. Before we can do any such findings, what does he do? The former leader of this country runs to the press. Remember, he is talking about working to take Bermuda forward. He is talking about making sure that we are going in the right direction.

He paints, again, a false narrative that the Ministry is going and doing something that is in breach of the Standing Orders, when he knows full well—when he knows full well, being a former Minister of National Security—that there is something called a “virement” that, as long as you stay within your allotted amount, you can move money legally, in conjunction with Financial Instructions, from one department to another department within a Ministry, as long as you do not go over the total \$134 million that has been established for the budget. He knew that. But that was not his stock and trade.

The method that he is using today is something that is consistent with his leadership. He has to paint a narrative that this Government is irresponsible, that this Government is mis-spending, that this Government is wasting the people’s money. He would never tell the people in Bermuda that it is a legitimate exercise for a Minister of Government to move money around from one department to another, legally, through a virement. Why would he not do that, Mr. Speaker? Because that is not consistent with his narrative.

We have heard the salary of Pastor Bean being moved, increased. And, of course, we get it that

the people of Bermuda are concerned, not about only Pastor Bean's salary. They want us to be cautious. They want us to make sure we measure twice and cut once. We get the fact that our people are hurting. And that is understood. But when we talk about Pastor Bean's salary, the very people in this room, Mr. Speaker, do they forget the contract that that Minister signed with John Jay [College]? How much money were we spending a year on John Jay [College] for them, for them overseas to do the gang initiative? How come everybody was comfortable with John Jay [College] doing all the gang initiatives? How come the people who are blogging, how come the people who are writing, how come they never rose in solidarity because the people at John Jay [College] were getting paid to do the work?

*[Inaudible interjections]*

**Hon. Wayne Caines:** It was this Government that said, *We believe we have capable, talented, educated Bermudians who can do the work!* Now, remember. We are not talking about wasting the people's money. Why was the MP silent when we talked about, in this House, the "restorative circle" and Berkeley Institute, where men are sitting together, working through problems, working through challenges? Why was he silent on Twitter and on Facebook when we highlighted last week that young men at Elliot School, who are working through challenges, working through issues . . . why did he not speak about it then?

When we highlighted all of the work that they were doing to reduce the gang numbers in Bermuda, where Pastor Bean is doing the work, how come he never got up at the same time with the same verve to thank him for the work that he is doing in our community? Never has he done that! But he will be the first one beating the drum to stir division in this country.

**An Hon. Member:** Yes! Yes, he will.

**Hon. Wayne Caines:** He is being divisive! And the narrative that he is trying to paint in this country with the FinTech being a debacle . . . let me remind you that 55 companies have set up in Bermuda. Daily, companies are coming to this country to set up. People can say what they like about its being a flight of fancy. The evidence speaks contrary to what he is saying.

He is painting a false narrative. And he must continue to speak on that same track in order for it to make sense for the demographic to which he represents.

We have an opportunity when we talk about the money that the Government is spending. And I am often caught in between the tale of Two Bermudas. When we are talking about the salary of everybody at the Tourism Authority, they are silent. When we are talking about the salaries of the CEO and how much

that board gets paid, they are silent. When they are talking about the salary, the hundreds of thousands of dollars in bonuses, they are silent! And what do they say when they open their forked mouths? *They deserve it. They have the experience. Our economy is depending on it.*

*[Inaudible interjections]*

**Hon. Trevor G. Moniz:** Mr. Speaker. A point of order, Mr. Speaker.

#### POINT OF ORDER

*[Imputing improper motive]*

**Hon. Trevor G. Moniz:** Mr. Speaker, this is really going too far. It is unparliamentary language for the Member to be shouting and screaming over there. But to talk about "having a forked tongue," you are saying someone is lying. You are imputing an improper motive. And somewhere you have to stop, Mr. Speaker, somewhere. I don't know if, you know . . . Thank you.

**Hon. Wayne Caines:** Mr. Speaker—

**The Speaker:** I do not have a problem with the expression, a little bit of loudness in your delivery. But be cautious about the words you may use.

**Hon. Wayne Caines:** Mr. Speaker, I am guided. And in the delivery, I will amend my approach, Mr. Speaker. Thank you for the guidance.

Mr. Speaker, when we look at the direction that we are going in, when you see how our country is divided, there is a specific narrative that is being painted. The Premier answered some specific questions today around leadership. And when you go back and look at . . . as I was saying before the point of order, when we talk about things that we do with the Progressive Labour Party and you hear words, the buzzwords, the dog whistle (and I hope that is not offensive, Mr. Speaker), the dog whistle is that it is the friends-and-family clan. What he is saying is that—

**An Hon. Member:** They are not qualified.

**Hon. Wayne Caines:** Black Bermudians are being given opportunities, and it is too much money for them. That is the dog whistle.

The opportunity, when we are talking about . . . and remember, I am not speaking to anyone's qualifications and whether they deserve it or not. But listen to the names and the words that are being used when we are talking about the salaries of the Bermuda Tourism Authority. You will hear things like, *They deserve it. Their compensation is commensurate to their education and to their experience.* Understand the dog whistle when you have Pastor Bean, who has his master's [degree], who is working in this constitu-

ency and this community every single day for the people of Bermuda, working diligently.

Now, remember. We get the fact that this country wants us to be balanced and measured with the purse. That is not lost. There are times, as we see with the CEO of the Tourism Authority, as we see with the leadership of the RA when we are paying for the board of the RA, that at times money is being spent to get the right people in the right posts. It is being seen as being justified. But when it is done by this Government, it is being tainted with a brush that is not legitimate. It takes my mind immediately to the former Attorney General, to a gentleman by the name of Mr. Ambrosio.

**Some Hon. Members:** Well!

Ooh.

Oh! How much did he get paid?

**Hon. Wayne Caines:** And, Mr. Speaker, I am being measured in my delivery, because I am teetering towards the “forked tongue” sort of comment, and I will not go back there as per your advice.

Now, listen to what the Honourable Member, Mr. Dunkley, said. He said that we were not told about it. We were not given their roles and their responsibility. We did not know what they were doing. Understand what he said, and put it in the context of a very young barrister who was appointed by the former Attorney General, who was doing things in a department that no one outside of a specific and selected few knew about. Now, does that strike in all fours in what MP Dunkley is saying now? Did we know about it? Did it come across this House?

But, guess what? That was okay. That was legitimate because of who did it. Yes?

**Hon. Trevor G. Moniz:** Point of order, Mr. Speaker. Point of order.

**The Speaker:** We will take your point of order.

**Hon. Wayne Caines:** Did you bring a contract to this House?

**The Speaker:** Ah! Ah! Ah!

**Hon. Wayne Caines:** Did you bring his contract to this House?

**The Speaker:** Member! Member! Take the point of order.

#### POINT OF ORDER

*[Misleading]*

**Hon. Trevor G. Moniz:** The Honourable Member is misleading the House.

What has happened here is a situation where this Government . . . for example, it said, *We're not giving that person a raise*. And then you find out that he is being given a raise. You have a situation—

**Hon. Wayne Caines:** Mr. Speaker, who said that he is not given—

**The Speaker:** Ah! Ah! Ah! Member! Remain in your seat for the time being.

**Hon. Trevor G. Moniz:** You have a situation where Parliamentary Questions are asked, and they are not immediately answered. There is avoidance. There is never any avoidance on my part, or on the OBA's part, to answering any of those sorts of questions if they were asked. The PLP is so frightened by these—

**The Speaker:** Ah! Ah! Ah! Member! Member, you made your point of order. Do not go too far. Do not go too far, because from where I sit, I represent the committee. So, let us just leave it there. Thank you.

**Hon. Wayne Caines:** Mr. Speaker, I think that we have been having a very robust debate. And, at times, the debate becomes exuberant. What I have taken from the debate today, and I have listened to the Members opposite . . . we have had some robust debate and at times it has become boisterous.

What I can say is that at the opportune time I believe that the crux of the debate centred around the actual people's business. When certain Honourable Members speak they are not speaking for the betterment of Bermuda; they are speaking to divide Bermuda. They are speaking for their own personal agenda. And often times it is evidenced in the way that they do it, and how they do it. There are times when Members in this House will make no statements and you look at social media three minutes later, and everything that we had discussed, significant leaders in this country, are putting it on social media. Or they will say absolutely nothing in this House and they will be on the seven o'clock news every single night proffering comments that will not be challenged where it is supposed to take place, and that is in this very Chamber. And that, Mr. Speaker, is a challenge for the country.

If we are, indeed, here to heal the country, we have the opportunity to discuss those contracts, let's do it here. Let's talk about education, and let's see if these people are not trained Bermudians, having been off to university, have the rightful training. Why would we hide from the fact that we have trained Bermudians that are taking their rightful place?

We have a responsibility for the budget. Now, if we were coming back and asking for supplemental budgets, if there was money being hidden or stolen, of course you bring it up in this House, Mr. Speaker. The reality of it is that Bermudians are getting opportunities. They are getting the opportunity to show what

they do, and they get to show [that by] working on behalf of Bermuda. I think, Mr. Speaker, that is an opportunity that we should hold Members to account for how they see themselves, the things that they say on social media, and how they work with duplicity and not for the betterment of Bermuda, and then say they are working on behalf of the people of Bermuda.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to speak?

No other Member—

I recognise the Opposition Leader, Honourable Member.

### EU BLACKLISTING OF BERMUDA

**Hon. L. Craig Cannonier:** Yes, thank you, Mr. Speaker.

I guess I wanted to start off by saying to the Minister of Finance, *thank you very much*. I had the opportunity of sitting in a meeting this afternoon. Quite frankly I was surprised at who all was in the meeting, concerning the issue of this blacklisting, potential blacklisting. I can concur with the Minister and the Premier that this has been a bit of a challenge for Bermuda. It almost appears as if we are solely being singled out even in reference to the other overseas territories and including the crown dependencies.

I am not going to talk about what was said in the meeting, I will leave that for the Finance Minister and/or Premier to summarise. But I do believe that there is some light in us being able to go to Bermuda to essentially lay out the facts in where we are. We in the House are very clear as to all of the work that was put in. I believe that it was collaborative in the fact that I recall the many meetings that were being held in chambers outside of this one. We were seeking to come to a conclusion that would satisfy the requirements of the EU.

I am reminded of the challenges even when we were Government in being blacklisted very early in the stages by the French and the challenges that went along with that trying to get off of the list. So, what I would encourage, and I have said this to the Premier, I would encourage him to do as much as he can to travel to the UK so that there is face time, actually, with those members who do not understand Bermuda as a jurisdiction, who do not understand the nature of the work that we—

**Mr. Rolfe Commissiong:** They understand well.

**Hon. L. Craig Cannonier:** No they don't. They do not understand, necessarily, the nature of the work that we do.

Some are saying that they understand well. He does not know what he is talking about. There are

many who I came into contact with who did not have a clue; it was purely politics for them, without understanding the nature of what it is that we do.

So I would encourage the Government to continue to travel. I would encourage them to continue to have meetings with the IB business sector. Clearly, I am sure they are concerned. But it would be nice, and I am looking forward to tomorrow that we will not be on that list. But, if it is the case that we are, I know that across the aisle we will be looking for how we work with this issue and move it forward.

So I just wanted to say, *thank you*, to the Minister for the last-minute call. I know that he probably had to call the meeting at the last minute, per se. But it was a very interesting meeting to see how everyone was in the room attempting to work with the situation. But also, it was good to see the concern in the room. And I think it would be remiss of me not to say that there is some serious concern in the sector, just as there are serious concerns in Government on how we got to this place and how we then move forward if, in fact, we do find ourselves on that list. It is important to the everyday Bermudian, even though they may not understand the intricacies or some of the details that we at least attempt to give them some kind of idea of where it is that we are and how we plan on moving through this.

And I am sure after I have . . . I must say that after the meeting I did have a private meeting with the Premier and the Minister, and they were definitely seeing eye-to-eye on how we should be approaching this and moving forward. So I want to say to them that I appreciated that opportunity to speak with them concerning this matter.

### PROFESSIONAL SERVICES/CONSULTANTS AND ADVISORS

**Hon. L. Craig Cannonier:** I wanted to speak to the issue today and give a solution as to the concern that I have been hearing all day, after the Premier's Statement. I have heard a whole lot being said. I do not believe that the narrative out there that we are somehow being . . . some folks are being paid too much. I mean, I do not believe that this is solely a black issue or solely a white issue as to not being paid enough. I mean, I must admit in the room with the Premier and the Finance Minister I was saying how we are not being paid enough for the work that we do.

*[Inaudible interjections and laughter]*

**Hon. L. Craig Cannonier:** And I do not believe that it is a solely black narrative, or solely a white narrative. Bermudians, period, have challenges with the salaries that many people [are paid] in Bermuda.

The only thing that I believe is going to dispel this challenge, is this . . . and it was brought up by the Honourable Member who is not in his seat right now),

but it was brought up, can they do the job? I believe, for the most part, if we are able to identify the qualifications and just list them out, to say, *Listen, this is why we have taken on this person; these are the qualifications that they have*, it would to a long way in dispelling what many of us have been victim to—not just this Government, but we on this side as well—many of the blogs, a victim to the hearsay, a victim to the misperceptions that are out there, because people simply do not understand some of what it is that we are doing, and some of the qualifications that people do have. So when these appointments are made it would be great . . . and it is fair to say, *Did you do it? And did you do it?* The point is here and right now, people are looking for some answers.

So, I think if we can dispel a whole lot of these things, if we list out what those qualifications are, and why, exactly it is that we are bringing these people on, because I do believe that we have an opportunity to be transparent here and help Bermudians understand how this is going to affect them, and how this is going to encourage a better economy for all of us by doing this here. It is clear from the recommendations from 2011, the Civil Service [Review]. I remember it very well. There were many recommendations in there. But this was just one of them. It was not the SAGE recommendation. SAGE basically was saying they agree with this particular recommendation, that this private office should be given. And I know of those . . . I am looking around . . . yes, there are only three of us who have been Premier, and some of the Ministers travelled to England who have sat in the room with many of these ministers and heads, and they have seen many of these folks are in the room, five and six of them. But they are up and coming civil servants.

So, I read with interest that the Premier is looking to identify some of these high-fliers. I believe that we already know who these high-fliers are. So I am encouraging the Government to get on with identifying these high-fliers. The interesting thing about this will be that if we are identifying these high-fliers and the Premier is going about setting a new precedent here, it will be very interesting to see what happens with many of these consultants that have already been put in the position. I did not have the luxury of the answers at the time the Statement was being read, so it was kind of surprising to me that we were getting this Statement at the same time we were getting answers to some questions that has been posed.

So, we recognise that this is a new policy. But along with that policy, there is a whole list of recommendations concerning this private office and some of the things that should happen. And one of those things was to ensure that the permanent secretaries have a . . . that there is some accountability in place for the permanent secretaries and, as they go forward, identifying also the high-fliers that should be going into these positions. And I would encourage Members to go back to the recommendations that were made in

2011, because not only do they identify the office, but it identifies some of the other things that should be going with it.

So, I hope that the recommendations that are in there concerning the permanent secretaries and the other recommendations, which it looks like there is about eight of them, are implemented so that it is a comprehensive programme that does not have any loopholes in it. Right now, what we see is that a recommendation is being made, and the recommendation from the 2011 report said that it should be coming from those high-fliers within the civil service. We do not have that right now. So, it would be good if we could hear the Premier at some point in time—I am not saying it has to be in this House, he may want to just do it to the public, whatever the case may be—identify exactly how this is going to be laid out as far as the recommendations so that it is comprehensive in the appointment that we have now seen and read [about].

So I would encourage Members to go back to that, because the real thing is, Can they do the job? Yes. Everyone is going to ask that question: Can they do the job? And Honourable Members were talking about, well, you know, some Members (you know, talking about friends and family) . . . let me just remind everyone in this Honourable House. Immediately, when I became the Minister of Public Works, my first cousin, I had not seen him in probably four or five years—had not seen the man. He was doing an internship over at the incinerator. On the radio I was being accused—on the radio—of friends and family. I had not seen the boy for about four or five years; did not even know that he existed over there and was doing a programme. And yet, at the time, the Opposition (which is now the Government) was accusing me of hiring my cousin.

So, we can throw this stuff back and forth. And the only thing that dispels that is this: Can they do the job? List out what the qualifications are, stand behind the decisions that you have made and let the public know why you have made that decision.

What I see right now is a lot of questions around now we are saying that we have a new policy that we are going to adopt. Now, in 2011, when that report came out, I must admit it was turned down. People did not even want to look at the report. I mean, there were a whole lot of things in there. I remember going through the report. It was turned down flat out-right. Now, the Government is deciding that they want to take up this policy. I am encouraging them on this particular area to take up the recommendations in full, because it is comprehensive, it is well-thought-out, and it will go a long way to improving the success of the civil service.

So, with that in mind, I want to again thank the Minister of Finance for the opportunities that he has given for us to sit at the table to listen to some of the recommendations as we move forward tomorrow. I am

looking forward to a good day tomorrow. And I hope that after we get a decision made by the EU concerning this issue of us being on the list, that I look forward to the Finance Minister or the Premier calling me to say, *Listen, this is where we are now; this is how we are going to proceed.* And so, with that in mind, Mr. Speaker, thank you.

**The Speaker:** Thank you.

Does any other Member wish to speak?

I recognise the Honourable Member Commissioning because he jumped up a few times before in the past this evening. Honourable Member from constituency 21, you have the floor.

### EU BLACKLISTING OF BERMUDA

**Mr. Rolfe Commissioning:** Thank you, Mr. Speaker.

Mr. Speaker, the Opposition Leader just sat down. He said that the EU does not understand (I am paraphrasing) who we are. I interpolated that they know all too well who we are.

**Hon. L. Craig Cannonier:** Point of order, Mr. Speaker.

**The Speaker:** Yes.

### POINT OF ORDER

**Hon. L. Craig Cannonier:** I said that there are some—not all of them. Some are playing politics.

**Mr. Rolfe Commissioning:** Okay, some.

But for those others, they know all too well who we are.

*[Gavel]*

**The Speaker:** Minister. Yes.

*[Inaudible interjections]*

**The Speaker:** Okay. All right.

**Mr. Rolfe Commissioning:** This is who we are in their eyes: we are a country that has an effective zero corporate income tax rate. We are a country that does not impose income tax on its highest earners. That is who we are.

Now, between the 1980s and perhaps 2008, 2009 and 2010, in that world that was all right. What we fail to understand is that this world has changed. It took four decades, but it has changed. And we are right in the crosshairs.

We have in Bermuda to such an extent that we can have a man who is a firm member of the 1 per cent and get up and pose as someone who is here to defend poor people. He pays relatively nothing in

come tax, or tax on his income. And people like him and others—

**The Speaker:** “Honourable Member.”

**Mr. Rolfe Commissioning:** The Honourable Member and others who are not in this Chamber—

**The Speaker:** Watch how you describe Honourable Members in the Chamber.

**Mr. Rolfe Commissioning:** Thank you, Mr. Speaker. I stand to take your advice.

Would be those who are often on the frontline in making those disparaging comments as described by my colleague in [constituency] 14, to divide and conquer our people, while they get away with paying relatively nothing at all in terms of Bermuda’s tax burden which has disproportionately fallen on black Bermudians and persons of low income for decades.

That is the price we pay for Bermuda’s success. We place a tax burden on those who can least afford it, and we have been doing it for over a century. As a matter of fact, we have normalised it so much, we would go overseas and brag about it. *We have our own unique tax system; we’ve had it for a hundred years. It was not designed to undermine your economy and draw off all these millions of dollars that could have gone into your own tax coffers.* When the reality is that was a tax system that was so regressive it placed, again, most of the tax burden on poor and, historically, black people in this country. Yet we brag about it!

They know who we are. They benefitted from it for the last three decades as well. But times have changed. And we have to change with it. This Government knows this. We know that we have to re-engineer what Bermuda is, who we are, what are values are to suit what is going to happen over the next 10, 15 and 20 years, as this shift continues to take place. And it is taking place, unless your head is in the sand. You clearly see the writing on the wall.

I am not going to say that this is going to be the end of the world and the sky is going to fall, but things will be and are now different than they were. And we have to accept that. Who knows, we may be better off imposing income tax. We might be better off going and talking to our friends in international business, and saying, *Hey, maybe we do need to put corporate income tax on the table, maybe 5 per cent, 10 per cent, 8 per cent,* just so we can be considered part of the mainstream at least in respect of western nations, because we are not now. This is what they are telling you.

Yes, there is a lot of hypocrisy. The French have an expression. They call it . . . what is that expression?

**An Hon. Member:** *Schadenfreude.*

**Mr. Rolfe Commissiong:** No, no, no; that's German.

[Laughter]

**An Hon. Member:** *Je ne sais quoi.*

**Mr. Rolfe Commissiong:** No.

There is a French expression. They call it, *réel politique*.

So you hear many of us in Bermuda talking about, *Oh, what they are doing; they have members in their own club who are indulging in tax avoidance practices and the whole nine yards*. It does not matter. He who has the power to wield it. That is the world we are now back to. It is not new; we are going through another cycle.

That is the world that is evolving right before our eyes. How we navigate this will determine the future of Bermuda. But rest assured that there is no turning back. And there are so many of us now who are feeling really comfortable and doing well in the status quo that has existed for the last two decades, but like I said, the writing is on the wall.

Let's say tomorrow we wake up and we are not on that list. We can breathe a temporary sigh of relief, but that is not the only geopolitical threat to Bermuda, and existential threat. We know that the UK the OECD, the EU, are positioning to create a new world order upon the axis of the neo-liberal order that has just met its demise, circa 2008 or 2009. The demand for public registries of beneficial ownership. That is still there. If we have a Labour Government in the UK tomorrow or next week or in three months' time or a year, believe me, they are not going to be waiting around to 2023 to impose it.

The Dutch already have Bermuda on their blacklist. The Dutch, of all people! One of the architects of a Dutch sandwich, the way in which they use to transfer profits of companies from Ireland to Holland and then to Bermuda, companies, such as, Google. They put *us* on a list! I tell you, it is rich; you couldn't make this stuff up! They are now reformed. That is the world we are living in.

So, Mr. Speaker, we are dealing with a budget right now and I would hope that we see an alignment between our fiscal realities in Bermuda and this geopolitical threat, which can be a geopolitical opportunity if we are prepared to make some of the hard changes that are necessary to put us back in a more mainstream light amongst those countries we have historically considered our peers. And it is going to mean that we make some hard choices and have tried to achieve a consensus amongst all groups on the Island so that we can begin to come out from under this cloud.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to speak?

I recognise the Honourable Member from constituency 7. Honourable Member Richards, you have the floor.

#### PROFESSIONAL SERVICES/CONSULTANTS AND ADVISORS

**Mr. Sylvan D. Richards, Jr.:** Thank you, Mr. Speaker.

You know, Mr. Speaker, I am going to be very honest and frank. That is the only thing that I can be.

**The Speaker:** Please do.

**Mr. Sylvan D. Richards, Jr.:** When I walk around Bermuda these days I am in a funk. And when I say "funk" not in the George Clinton kind of funk.

**The Speaker:** Parliament . . . Parliament, funk it up, eh?

**Mr. Sylvan D. Richards, Jr.:** I am in a funk, Mr. Speaker, because when I walk the streets of Hamilton people stop me and talk to me because they know I am a politician. And I must have a face people just like to talk to. And I listen.

[Laughter]

**Mr. Sylvan D. Richards, Jr.:** I should have been a psychiatrist or psychologist or something.

[Inaudible interjections]

**Mr. Sylvan D. Richards, Jr.:** But, Mr. Speaker, in all seriousness, what I am hearing is causing me great concern and consternation.

And we are up here, and we make jokes, and we spar across the aisle here. But I am finding it increasingly difficult to find any type of amusement when I come into this place, Mr. Speaker.

When the PLP were elected, we took our tromping. That is politics. But I was really, really pulling for the PLP to be successful. We talk about division, and tone, and tenure, and this, that and the other, and this Honourable Member this, and this Honourable Member that. I do not care about any of that. What I care about is what I know is happening out there on the streets of Bermuda. And what is happening in the streets of Bermuda is that people are losing hope.

Now, I know what it is like to be sitting in Government in Cabinet and trying to figure this thing out. There are always internal issues that we have to deal with as a Government and as a country. Then you have the external threats that are constantly coming at you like a tsunami. It never ends. And I am afraid, Mr.

Speaker, that because of our lack of unity, and because of our partisan politics, we are not working together the way we need to as a country to deal with the threats that are here, that are coming, and that will continue to come, Mr. Speaker.

I just want results. I do not care who the Government is, I want results. And the people of Bermuda want results. Now, everybody in this place knows that things are not going very good for Bermuda right now. We all know it. I am losing sleep at night thinking about this thing, because people are talking to me, and I know they are talking to you, and you, and you. And they are saying something has to give.

And we have statistics that come out every other month, or whatever. We have had nine months of decline in retail sales. Now, some may try to say, *Well, that is not a good economic indicator. Don't worry about that. People are shopping overseas and online; it's all a bunch of excuses.* I know it and you know it, people are losing confidence in this Government. They lost confidence in our Government. And pride goes before the fall. So the only reason I am on my feet today is because we need to get serious about what is going on in this country.

Now, I watched the Finance Minister when he was on the Gary Mareno show a couple of weeks ago. I watched him very intently. And I just had to smile, because he sounded like Bob Richards. This current Finance Minister is facing the exact same challenges that Bob Richards faced.

We have a civil service that is growing. We have a civil service that is getting bigger. We have a civil service that we could not afford when we were Government, and we definitely cannot afford now. So I get very concerned when I see the numbers going in the opposite direction.

I work in the private sector. In the private sector everybody is doing more with less. Nobody has secretaries anymore, nobody has support staff. You sit at a desk with a computer and you get the job done—in the real world. So, when I heard what the Premier read this morning about PSs are going to get assistants and this and that, how much is all this going to cost? It's not free; it costs money! Where is this money going to come from?

Now, when we were Government, we had to make do with what we had. So, I am just having a hard time grasping, in the economic situation we are in, when the Finance Minister is being forced to tax the death out of our people, because he has no other choice, because the private sector is not growing.

New business is not coming to the Island and doing what we would like it to do. It is a bunch of smoke and mirrors, as far as I am concerned. So, we need to get real. Government, you need to get real.

People out there are losing hope. People are still leaving the Island. People are still going to England and wherever because they feel that the pasture is greener on that side.

I talk to businesspeople in town, right? They are whispering, *Man, my revenues and my sales are down 30 per cent. I'm going to have to start laying off people.* You know all the bars downtown? Nobody wants to say it, but I will say it. They have lost money because people are not going out and having a splash like they were before the road sobriety test was put in place. Now, I am not saying that we should drink and drive. What I am saying is to recognise that there is an economic impact. And when you are running a restaurant, we all know their margins are thin. You are not making as much money now as you were before. I am just putting it out there. Nobody wants to talk about it. Everybody wants to tiptoe around this thing.

People are hurting. And when businesses hurt, they start laying off people. That is common.

So, all I want to say is, let us get real up in here.

Thank you, Mr. Speaker.

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

I now recognise the Honourable Minister . . . Oh, I did not see you back there. Okay.

Go ahead, Minister.

#### PROFESSIONAL SERVICES/CONSULTANTS AND ADVISORS

**Hon. Zane. J. S. De Silva:** Thank you, Mr. Speaker.

Now, Mr. Speaker, these are very interesting topics tonight. Let me start where the previous Honourable Member left off. And it is interesting to hear him talk. When he says things like, *We made do with what we had*, let us talk about that for just a second. *We made do with what we had.* Well, let us see, let us look at what you have done. Within the first six months, you borrowed \$800 million. Okay? Two and a half years later, three years later, they borrowed another \$150 million. Well, give me a billion dollars, and I will make do with that, too! That is number one.

Now, Mr. Speaker, there has been a lot of talk about consultants tonight. But let us just talk about a little bit of history. Let me talk about some former political consultants whom you might know, one by the name of Wayne Caines, Jamahl Simmons, Scott Simmons, the Honourable Premier David Burt himself, all former political consultants. Look where they are today. See? It is about service, Mr. [Speaker]. It is about service. You can call them consultants if you want, but look at the service that has been provided. And with that . . . you know what also comes with it? A little bit of education, Mr. Speaker, education.

To think that we have four former consultants right down at the Cabinet Office, and look where they are today. Look where they are today. It is all about service, Mr. Speaker. See? Because if you listen to the Members opposite, you would think that, *Well, let's see who we can give a job to today. Let's not*

worry about their skills. Let's not worry about what value they can bring. Let's not worry about any of that.

But, Mr. Speaker, let us talk about some of the things that those Honourable Members did, and not in any particular order. There was a legal firm by the name of Mello Jones & Martin. We had a wife of a Minister who worked in that firm, not making \$125,000 a year, not making \$90,000 a year. And the Honourable Member Dunkley, who is not here . . . and I do not like to talk about folks when they are not here, Mr. Speaker. But he seems to make it a habit. He makes his statement, and then he takes off. But maybe he is at home listening, and he will speak about it next time at motion to adjourn.

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** Oh, yes, that is right. He is on . . . That is right. The milkman, you called him, Twitter fingers.

But, Mr. Speaker, the Honourable Member said about our consultants, *What are we paying them? Fifty thousand dollars? One hundred ninety-nine thousand dollars? Two hundred ninety-nine thousand dollars?* (He was talking about Inter-Island Communications.) *What are we paying them?*, he asked. *Fifty thousand dollars? One hundred ninety-nine thousand dollars? Two hundred ninety-nine thousand dollars? What's the charge?*

Well, that Honourable Member, who was Premier at the time, did not talk about what Burland, Conyers and Marirea were getting paid up at the Cross Island, Mr. Speaker.

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** And, you know, the Honourable former Member, Grant Gibbons, stood right here—right here—and he told us, *Listen, I didn't put it out to tender. I didn't put it out to bid, because I had confidence in him.* And not \$125,000! Millions of dollars, Mr. Speaker. Millions! But we have a pastor in this country that lives, eats, sleeps and breathes the young men in this country when they are in trouble.

*[Inaudible interjection]*

**Hon. Zane. J. S. De Silva:** Well, you see? Therein lies the problem.

One of the former Premiers on that side, Mr. Cannonier, said he does not really think it is a white-and-black thing. Well, I tell you what. I tell you what, Mr. Speaker. One of the *Royal Gazette's* headlines last week had, bold on the front page, "Bean's salary tops \$125,000." A hundred-and-twenty-five thousand! Why?

But \$125,000 . . . we all know in this House . . . we all know that \$125,000 does not deserve a headline in big, black, bold writing. But maybe it is

because it was a big, black giant of a man! I have never seen Kevin Dallas's wage in the paper, Mr. Speaker. And I have to tell you, it is closer to \$400,000 than it is to \$385,000. I never heard of Bill Hanbury's, as much controversy as it was, I never saw that in big headlines.

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** And Ross Webber is another one!

You know, I mean, we can go on and on and on. But it seems like when we had someone whom we may know and they may be a friend . . . I remember when it was announced that Julian Hall had \$100,000 contract. I said at the time, you know, to the Honourable Member Derrick Burgess at the time, I said, *You know what? You did him an injustice. He should have [been awarded] six or seven times that much.* You cannot help but sometimes think, Mr. Speaker, that it boils down to one thing.

And let me remind everybody, Mr. Speaker, not only did Alan Burland and BCM [McAlpine] receive millions of dollars up there at Cross Island—on one of the most expensive pieces of real estate in our history—he received an OBE!

**Some Hon. Members:** Yes. Yes.

**An Hon. Member:** Decorated!

**Hon. Zane. J. S. De Silva:** And it was not tendered for.

And the Honourable Member Grant Gibbons stood here and said, *You know what? Well, he gave us a couple of hundred hours of free work to help us estimate the cost analysis of the America's Cup!*

Well, I tell you what. If you would have told me that I had a shot at \$10 million, \$15 million, I would give you 200 hours, too! Gee. And they have got the nerve to talk about us, Mr. Speaker. The nerve.

And then, your Honourable Member Dunkley says, *We tax and spend, and hire consultants under the cloak of darkness.* Did he really say that? The same fellow, talking about cloak of darkness, just reminds me of one early morning when they were all stuck up in this House! Talk about cloak of darkness. And transparency. Mr. Speaker, we never changed numbers on GP cars so we could try to hide the fact that our Ministers were driving in them, under the guise that a Minister received a death threat. I do not ever remember a report, or seeing anything come out in the newspaper, or otherwise, about, *Well, somebody threatened a Minister.*

And let us not forget, Mr. Speaker, because, you know, I will get to it in a moment. But they talk about transparency and money and, you know, all these things are going to come back into it. Do you remember, Mr. Speaker, when we were told, *It is go-*

*ing to be so many people in this country during the America's Cup that we are going to have a couple of ships out there anchored off in the harbour? We are not going to have enough space. We are not going to have enough hotel beds. And guess what, Mr. Speaker? In the middle of July, what did the Hamilton Princess do? Laid off staff!*

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** Now, Mr. Speaker, are you going to talk about friends and family, you might recall when the Cabinet Office closed and Cabinet moved somewhere, did they not? Where did they go? Where did they move? They went up the street. I wonder whose building that was, Mr. Speaker?

**An Hon. Member:** Friends and family!

**Hon. Zane. J. S. De Silva:** But that is okay, is it not? That is all right. Mind you, you know why they moved? Because of the mould.

The schools? We do not have money for them, but we are going to fix it down there at the Premier's office with all of his friends. In fact, there were many times you looked down at that office, it looked like it might have been OBA Headquarters there were so many OBA people in there, Mr. Speaker.

Imagine, Mr. Speaker. Imagine if the PLP were to form a company like the OBA did, ACBDA [America's Cup Bermuda], form a company and give them \$100 million and say, *Look. I want you to go ahead and organise an event.* And then you give all your friends and family business. These guys talk about a consultancy for \$125,000 or \$136,000? Mr. Speaker, unbelievable.

But, look, Mr. Speaker, there are many, many different consultants hired by the OBA. And I think a few of them were named tonight. But I think it is important maybe to mention them and a few more. Because, you know what? The narrative is starting to show from the OBA that they are going to start. They are going to start. It is going to be consultants. And then, after consultants, it is going to be corruption. Then, it is going to be debt. We already heard Members opposite tonight talk about, you know, *The civil service is growing. Time to cut the civil service. Put people out of work.* All right.

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** Yes. And, of course, the Honourable Member Richards talked about losing hope. You will hear all of these things—*debt, corruption, loss of confidence, growth of the beast, yes, friends and family, losing hope. I am in a funk.* I think the Honourable Member is in a funk, all right. Looking at the pictures I saw last week, I am not surprised. He

had a good time at carnival, while we were here working . . .

*[Inaudible interjections and laughter]*

**Hon. Zane. J. S. De Silva:** Post carnival depression! That is a good meaning for the word "funk."

*[Inaudible interjections and laughter]*

**Hon. Zane. J. S. De Silva:** But, Mr. Speaker, you know, when I hear Members opposite starting to talk about friends and family, we know what they are indicating when they say that. We know what they are indicating. But it is okay for people like Dunch, Fahy, Ambrosio, Dodwell, Alan Burland, Cosmic Ltd. Remember them?

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** Let us not forget about Cosmic? Right? Let us not forget about that.

How about Henagulph? Does that ring a bell with anybody?

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** Okay? You forgot all about him, did you not? Right?

But you know what? Black people in this country are not allowed to make money.

See, Mr. Speaker, I have been around a little while. And I cannot help . . . I cannot help, and I disagree with the MP Cannonier. I disagree with him when he says he does not think it is a black-and-white thing. I cannot help it. Oh, solely a black-and-white [thing]. So, you know, there is some black-and-white stuff going on, Honourable Member. Okay. All right. Now, I am going to give you compliments in a minute because I think you have done well tonight, for the most part, if I get time.

But, you know, it is interesting. When I hear the Honourable Member, MP Dunkley, talk about the number of consultants that we have, and when he was Premier of the country, under his leadership, all those names I just called, he touched every one of them, just about, no doubt, Mr. Speaker. But, Mr. Speaker, when the Honourable Member Richards talked about losing hope and he is worried about Bermuda, are we starting to see the shoots of the bogeyman? Are the skies falling in? It is doomsday.

What about, Mr. Speaker, St. Regis hotel? I was down there today, Mr. Speaker. Steel is being erected in a big way. Slabs are being poured. People are working. Azura is finished. They are looking at expanding. Morgan's Point, if we can assist them and get through that challenge that they have, they will be back in full flow. Ariel Sands, Mr. Speaker, I spoke about that earlier. We have people interested now and

getting success. We are bringing banks to the country. We have had how many, Minister?

**An Hon. Member:** Fifty-five.

**Hon. Zane. J. S. De Silva:** Fifty-five registered FinTech companies—fifty-five! But the Honourable Member Richards needs to spend more time in the country. He needs to spend more time in the country. He is missing out on all the information.

So, Mr. Speaker—

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** Well, well, well, well.

But, Mr. Speaker, let me just say this, right. I am going to implore, I want to implore the Opposition to not fall back into the old UBP/OBA ways. Let us turn over a new leaf. I heard the Honourable Opposition Member Cannonier tonight talk about his invitation from the Minister of Finance and the Premier of the country to talk about the challenges that we are going to face, possibly, after tomorrow. The only thing I was disappointed about tonight is, knowing that, when the Honourable Member Trevor Moniz got up behind him and started running on his, you know, I can only consider it as trash, his Premier . . .

*[Inaudible interjection]*

**Hon. Zane. J. S. De Silva:** Well, it was trash.

**The Speaker:** Speak to the Chair. Do not get caught up in the side there. Speak to the Chair.

**Hon. Zane. J. S. De Silva:** Thank you, Mr. Speaker.

But, no. What I am saying, Mr. Speaker, is, you see, what the Opposition Leader Cannonier should have done was turn around and give him a little smack and say, *Look. You know not what you speak of!*

*[Inaudible interjections and laughter]*

**Hon. Zane. J. S. De Silva:** Well, oh, no. We know what we speak of. So, all I am saying, Mr. Speaker, is this, that the Progressive Labour Party have shown already that we are willing to work with the Opposition. We are willing. The Premier has shown it. Our MP, Honourable Member Dunkley, was on one of your committees. He did not speak a word while he was on the committee, but goes home and tweets. You see, this is what we do, Mr. Speaker. We are trying to include them.

I know when I formed the Financial Assistance Reform Group, what did we do? We said, *Let's bring in MP Susan Jackson.* We are trying to be inclusive, trying to be bipartisan. That is what we are trying to do. And we will keep trying. But it is when you get

your former leader, your former Premier, Michael Dunkley, who gets up week after week, if he is not chastising one of our consultants like he did tonight, he is chastising one of the companies we want to bring to Bermuda and create jobs for Bermudians!

Some say he is still the leader. Well, you do not want to mention that word, "wannabe." You remember they said that our Premier, *Oh, he's just a wannabe. He's a wannabe Premier.* Well, it did not take long, did it?

And, Mr. Speaker, let me finish on this note. Notwithstanding what some may say on the Opposition benches, and we heard some things today, that it was just like, you know, *déjà vu*, Groundhog Day. But let me say this, Mr. Speaker. My hope . . . my hope is that I know there are several Members on that side, several Members on that side who do really want the best for Bermuda. There are some Members on that side from whom I do not get that warm and fuzzy feeling. You just need to listen to them when they talk, Mr. Speaker. Listen to them when they talk. My hope is that the Opposition Leader can find it within his will to do what . . . Who was it? What was his name?

*[Inaudible interjection]*

**Hon. Zane. J. S. De Silva:** No, one of their former Members said—or was it your former Chairman?—*You have got to get rid of the UBP!*

Right?

Who was it?

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** Was it Mr. Kempe?

*[Inaudible interjections]*

**An Hon. Member:** He was chairman for about five minutes.

*[Inaudible interjections]*

**Hon. Zane. J. S. De Silva:** That is right. Yes.

**The Speaker:** Member, just speak this way. Do not get distracted.

**Hon. Zane. J. S. De Silva:** The former Chairman of the OBA, yes. I think he was chairman for about five minutes. The Honourable Member Jeanne Atherden cut him shortly, quickly.

But, no, Mr. Speaker. I do believe my thing is that you all have to remember one thing, and I will finish on this note. That is that they are the past and we are the future. Thank you, Mr. Speaker.

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

Does any other Member . . .

We recognise the Honourable Member from constituency 32.

Honourable Member, you have the floor.

### PROFESSIONAL SERVICES/CONSULTANTS AND ADVISORS

**Mr. Scott Simmons:** Good evening, Mr. Speaker, and thank you.

Mr. Speaker, tonight we are discussing what I humbly believe is a serious subject. It is a subject that I reluctantly get involved in or even want to speak on tonight. But I think that, Mr. Speaker, it has to be said.

**The Speaker:** You do not have to force yourself tonight, you know, on my behalf.

*[Laughter]*

**Mr. Scott Simmons:** Mr. Speaker, we will tarry just a little bit longer.

But, Mr. Speaker, I have listened carefully to, I often say Members opposite. And we have listened carefully to what they say.

**The Speaker:** Members opposite you?

*[Laughter]*

**Mr. Scott Simmons:** No, no. Members opposite.

*[Inaudible interjections and laughter]*

**Mr. Scott Simmons:** I am going to take your advice, Mr. Speaker, and ignore the comments from the Gallery.

Mr. Speaker, the Members and certainly yourself, when I say "Members opposite," I am referring to the Members of the OBA.

Mr. Speaker, the Honourable Member already spoke on the fact that there are those in this Chamber who are former consultants. There are those who are former parts of administrations, whether they be consultants, whether they be appointees to positions. And I say I reluctantly speak on this subject primarily because I recognise that we live in a country that is very tough. It is hard on its own. And they do not need any encouragement from those Members opposite and certain communities throughout our country for our community to become concerned when we hear that there are individuals among their ranks who are getting salaries and who are getting employment while others are not working.

Mr. Speaker, I reluctantly entered this area because I realise that when someone making \$250,000 . . . there are individuals in this country who barely make \$25,000. That poverty line hits us all. Mr. Speaker, there is no *but*. We have to fix it. And the one thing that hits me hardest is when I hear that

there are those in our community, our business community, our government community, who make enormous salaries, and it is supported by the public purse. In this Honourable House, we do not enjoy a surplus of salary so that we are able to sustain ourselves sufficiently. As a matter of fact, if we are to calculate where the poverty line is, I suspect that Members of this Honourable House, with all due respect to everyone, sit very near to that line.

I believe that we in this community that we live in must recognise that there are certain things that are required in a government. I believe that the former Premier, Sir John Swan, had consultants. There were so many others. And what I do not want to do, Mr. Speaker, is focus in on that, because I recognise that a lot in our community are struggling with that.

But the one thing I want to say, Mr. Speaker, I will declare my interest, having been a former aide to Premier, a former attaché, former press secretary, a former senior aide for Media Relations and Communications, and to join so many in this House, Honourable Members who were able to cut our first cloths and were given an opportunity to work in government, being taught how to work in government, to understand government so that we were able at every level of this government to be able to contribute at every level.

And we bring this contribution with a recognition and understanding that it was the party that allowed us to work for them and to gain the knowledge that we have. And look what we have done with it! We left out the Honourable Rolfe Commissioning. We can mention name after name after name of individuals who continue to serve, and the Honourable former Opposition Leader Marc Bean, these individuals. I want to be clear on this because I think in the public, sometimes, we do not see it for the merit that it is. Because I often felt that when I first joined and was asked to serve under a former Premier as his press secretary, and I counted it a privilege, having served a number of years at the PRO, took my licks and then went over and took more licks in Government.

But I will say this, that I thank the then-Premier and I thank the then-party for enabling, and for those who cut a trail for us, like the Honourable Minister of Public Works, who was the Chief of Staff. And so, we were able to become a part of a Government and learn about a system, want to be a part of a system. And then we were able to contribute in a very, very, very valuable way.

Mr. Speaker, it is easy to erase that contribution simply by putting a dollar value on it. As we look at our Ministers, as we look at Opposition Leaders, as we look at Finance Ministers, as we look at those in government and what they are compensated for, I am the first to say that, as it relates to high salaries, they are not among them. They are not among them. The salaries in this country are extremely high, over and above what I think . . . I will be honest with you, as it relates to some salaries in our authorities and the rest,

things that are supported by government. And I have made that point on numerous occasions. And I do not appreciate it. I think that we pay too much.

I know we need the talent. But sometimes, I think that we need . . . And I am not going to boost anybody. But I believe there was an information commissioner at one time, who said that she could not accept her salary. And so, she asked that her salary be cut. I do believe a former . . . I think a present member of the Bermuda Monetary Authority, on receiving his salary, asked that his salary be cut from the previous one who sat before him.

Mr. Speaker, all I am saying, and this is part of what I wish to say tonight for my contribution to the motion to adjourn, as a former consultant. No one asks you how hard you work. No one asked the former Chief of Staff, Premier, the former Chief of Staff, National Security, the former Press Secretary, Minister without Portfolio—no one asks. Nobody asks [about] the 24/7 commitment you had to give, the hard work that you did, the time that you put in in those positions. And we did it for years; worked hard for the party system, worked hard for government. No one ever thinks about that. No one wants to talk about that. All we heard tonight is that it is a *friend and family*.

As a matter of fact, I will tell you what. I have to say this. If it is family, then I am telling you right now, I am taking my licks! And that is the most incredible part about all of this.

But I will say this. As we develop this independent system, as we begin the process of making sure that we create governments that work, we must have individuals of a supplementary basis who you can move with and trust, not just a permanent structure. But you also have to bring along with you those who have the same vision and those who are willing to execute that vision and assist you in getting that job done. And that is in the form of consultants, and that is in the form of aides and all the rest who come with this Government. And they work together.

We should not be in the position of hitting at bat. I am not saying that we need to have a consultant for every single position around here. I am not saying that we should have consultants, consultants, consultants, consultants, consultants. But I do believe that if we are to continue an administration system, a bureaucracy and an effective bureaucracy, then we have to have these layers that give us an opportunity for the leaders who lead to execute their policy with the strength and the support in those offices of government that they require. It is important!

This Honourable House has to work day in and day out with very minimal staff. The Clerk to the Legislature, the Honourable Speaker, Mr. Speaker—

**The Speaker:** Understaffed.

**Mr. Scott Simmons:** —you have to form committees with a mere small budget, in executing the business of

Bermuda, which is why I do have a difficulty with the high salaries that are way up there, and then the rest of us are down here. All I am saying is that we have to understand it for the value that we have. It is important that we make sure that we understand that.

And, Mr. Speaker, the thing that I think is really the crux of it all is that we have to grow as a society. We have to recognise that we have a responsibility to embrace a system.

**The Speaker:** Yes.

**Mr. Scott Simmons:** If we say that we are an independent-thinking country—a dependent, independent-thinking country—then we have a responsibility to create the structure that pushes that democracy along, that creates the intelligentsia, that creates in politics, and that creates in our administration, as it creates in government, individuals who know. Because when it comes to government, those who are connected to that government day in and day out are best equipped to get it done. And believe it or not, they merge right into the positions of government, the political positions of government, effectively and efficiently, as has been demonstrated by the group that was mentioned before. Every single one of them assimilated into that from the consultancy and from the aide system.

Mr. Speaker, I believe that we can move forward as a country. I think we can get past this. It is not a fancy subject. But the one other thing that I wanted to stress, and I have listened to Members here (you are almost making me say, but I am not going to say *Members opposite*) as it relates to going forward. And I heard the saying, *Membership has its privileges*.

Mr. Speaker, none of us in the Progressive Labour Party believe that membership in the Bermuda Progressive Labour Party, for some strange reason, gives you an inherent inheritance, that you are moving quickly in the country, that you are going to be rich, that you are going to get everything that you want, because the direct opposite [is true]. So, [it is] absolutely the direct opposite. While others on the opposite side who are part of that do very well, the rest of us . . . and I have done it over and over and over again, and struggled as the result. So, membership on our side does not necessarily have its privileges. It takes a lot of toil; you take a lot of licks for the country that we love that holds the majority.

And that majority is very humble. It is willing to accept when we must change and do things and do for the right reason. They are a community, a God-fearing community that recognises when they hear what they heard, like tonight, from an Opposition who had every opportunity—every opportunity. And what did they do with it?

They must, as an Opposition, sell the message that they have. But after five years, two years, maybe 18 months have passed, it is still fresh in our

public's memory, in our community's memory, and we recognise the kind of Government that governed during that time. It is going to be difficult for you to erase that.

But I will say this. I will give you full marks for, at the very minimum, beginning that process of saying, *Okay; all right*. But what I heard today did not speak to the community that I speak to, that I understand. It did not speak to that. And you just cannot gloss it over and change it at a moment's notice. You have to be bigger than that.

So, Mr. Speaker, I wanted to make it clear, on this motion to adjourn, on two fronts. I will finish on this note because I think it is important.

### PASTOR LEROY BEAN'S SALARY

**Mr. Scott Simmons:** Mr. Speaker, earlier this evening, I heard and I read in the newspaper the \$125,000. I saw the headline. And just like I mentioned to the former Minister of Telecommunications, when his article was in the paper and when others are disparaged and when others are brought down and are created in the newspaper, the *Royal Gazette* and in other publications, and it brings them down, Mr. Speaker, I was saddened. Because I felt it unnecessary to completely disparage Pastor Leroy Bean. I took exception, just like I take exception because I have been in the paper, as have so many in this House have been in this paper. And they have torn us. And they do it as if it is an easy thing to do.

Mr. Speaker, let me be clear. A particular hotel . . . and I will finish on this, and I will try to be as brief as I can. I know I have only a few minutes left. A particular well-established hotel in this country had gone about hiring labour to get a number of construction projects done. So, they hired a number of subcontractors. Those subcontractors, in order to make the bottom line, because hotels do not have a whole lot of money, set their budgets and they created subcontractors. These subcontractors work, and they hire. They get the labour, they hire. Now, we know this challenge exists. In trying to get labour, in trying to get the kind of labour that is good labour, but sometimes is at the lowest of levels, you end up having to choose from a pool that is not the normal pool, or that is a pool of our community that has challenges.

And so, those individuals worked on the job site. And as a result of that, they were out of bounds. And so, unknowingly, the hotel created an environment where the gang-related issues became centre stage. So, the property began to get damaged. It began. All of a sudden, the gang symbols showed up. Rooms started getting broken into. Everyone could not figure out what was going on.

Mr. Speaker, my phone rang. PLB—Pastor Leroy Bean—was on the opposite end of the phone. He said, *I know what your problem is. I'm going to*

*speak to my Minister and we're going to have a look at it. I know what your problem is.*

How does he know what my problem is? He said, *I've got it*. Came on the property, the same 125 you hate. Figured it out.

*[Inaudible interjection]*

**Mr. Scott Simmons:** But I am telling you it was a serious problem. They sprayed the buildings, broke into the apartments. Everybody could not figure out what was going on. He said, *You have guys out of bounds. You have to get it. You have to negotiate your . . .* It is incredible! I would not have thought of that. Those who know, the expertise that we criticise from a community of knowledge, came and said, *I know your problem. I don't want a penny from you because I am covered with the 125*. He came on that property. It took six months. But there are no break-ins. It was sorted. And we do not have to get into the full details of it. But it took a lot of negotiations, and it took a lot of work! And that situation was fixed from that one person, who was given permission by a Minister.

And so, as a result of that, today that property is purged! It was absolute mayhem. Gangs. It was golf carts going missing. Guests came out and walked up the pathway and, all of a sudden, it was two of them, then it was four, members up at the other property knocking on their doors. Opened the door, and there was a guy there doing gang signs, saying this is the guy here works down there. Scared to death. They had everybody hiding under their beds! Motorcycles, livery cycles stolen! Because, as we criticised the 125, the 125 had the answers. We brought him down, beat him to death. But when we need him, he is there.

And last week, the Minister told us the wall. Sometimes, we have to be careful. Sometimes, we have to really be careful. The contributions that are made by individuals around you, it goes unsung. He has never stepped outside and said, *Let's publicise all of that. How come you don't mention stuff like . . .* never! Not once! And he called back to say, *Look. I checked into this. I checked into that. Look. This guy . . . I get all of that*. I get it constantly. It is that kind of coverage. And yet, we disparage. We bring down because we do not know. We do not know the contribution.

*[Timer beeps]*

**The Speaker:** Oh, Mr. Simmons. Thank you.

**Mr. Scott Simmons:** Thank you, Mr. Speaker.

**The Speaker:** The Honourable Member from constituency 36.

## PROFESSIONAL SERVICES/CONSULTANTS AND ADVISORS

**Hon. Michael J. Scott:** Thank you, Mr. Speaker, for recognising me.

So, Mr. Speaker, I am very grateful for the last speaker, and to my colleague, the Minister of Communications, my friend Mr. Simmons, for their bringing some rationale to the attempt by the opening speakers on the motion to adjourn to just create a false narrative.

You know, at the beginning of the Budget Debate, when the Minister of Finance stated that the dogmas of the quiet past are inadequate to the stormy present, this I use as my lodestone and will use as the lodestone throughout this session. So when, however, the Opposition, thinking that there is red meat in the water and there is blood to be gone for, as Mr. Richards, the Honourable Member, sought to say when he said, oh, he is in *a funk*, or Mr. Dunkley to say that we are in *a spend mode*, and as has been now eloquently defended both by the supervisor of Pastor Bean, but now elegantly and effectively defended by Mr. Scott Simmons, the Honourable Member, I think we have established sanity again in the House and in this debate.

Member Richards has no lock on the hurt that is being experienced in this country, Mr. Speaker. He has no monopoly on it. That is why I could commend him to ask, the Minister of Finance or the Premier or any Member on this side of the House. Ask yourself, Mr. Speaker, about what we hear and what we understand is going on in our community. It is precisely the reason why the Minister of Finance pitched his budget with the level of taxation and the restraint of policy-making and fiscal policymaking that he did.

I say with great respect, Mr. Opposition Leader, your party, from any kind of evident critique, you were stuck with an unassailable, un-appealable (as we often say as lawyers) statement. I watched it. It was very clear. The content of the budget was generally and expressly unassailable. The evidence of it was at the breakfast of the Chamber of Commerce. But the evidence that I watch as a politician, Mr. Speaker, watching the body movements or the capacity in this House, to assail this statement, was clear, I watched it. And that is history. It is done. And I commend the Minister for his seriousness, for integrity, for his excellent budget, for creating a document that was both serious, intelligent and wise fiscally. So that is where we really are.

So that, when Mr. Dunkley gets up and starts the old tropes of a former Member of this House who, as Minister Simmons reminded us, it was the Pied Piper of that narrative before in this House, Dr. Gibbons. And they had to assign this role to somebody. And, you know, it is odd. I mean, Mr. Dunkley has risen to the top of the ranks that you can rise to in this country, and in this House as Premier. Yet, he returns

to this House and joins the Backbench. And I have to often ask myself, *Well, what is he, in his aspirations, going for all over again?* Ghost of Christmas past? What is it? What is he going for all over again? Why this vigour that he engages in from the Backbench, not acting in a statesmanlike fashion, not making statesmanlike contributions to the House?

And I commend both the Premier and the Finance Minister communicating with the Opposition Leader. And I commend, in particular, however, the Opposition Leader for his kind assent to meeting on matters of national public interest and economic interest. This is the behaviour of a statesman and of a former Premier, and now an Opposition Leader, the person who holds the role-in-waiting. But it is in stark contrast to what Mr. Dunkley does.

Mr. Speaker, Bermuda is a resilient country. And I did not hear Mr. Richards, as he lamented his list of what he encounters in the streets about, and the narratives that he obviously hears on his job about, you know, growing the civil service. And on Front Street or the streets that he walks, he gave a list of the things that he was seeing. But at no time . . . or there was a classic omission of his addressing the fact that the many people who are working in our country are on work permits. And if we get that arrangement better organised, then the Bermudians who are out of work would find placement. But he continues to just believe and make . . . well, it was a glaring omission in his analysis of what he sees. But he does not want to see these factors.

So, Mr. Speaker, we are a resilient country. And we have the ability to withstand these storms of the present. And Mr. Simmons, again, was right about the opportunities created to serve this country from a former role as consultants and the narrative that is adopted that attacks with knee-jerk fashion any opportunity or any featuring of appointing advisors.

Mr. Speaker, the storms of the current time are with us. They are external. They are domestic. And I know what the Minister of Finance has done. He is deploying . . . It requires force and muscle. And go for it, for heaven's sake! And to the Bermudians who were invited by the National Budget Statement to engage in some shared pain and bearing of taxes for modest increase in land taxes, things that were described as "gouging" by the Honourable Patricia Gordon-Pamplin earlier today, are the invitation to share the sacrifice of keeping the country stable as a resilient nation anyhow until right is ready, the deployment not of more civil servants, but of consultants. You have capital in the budget to deploy consultants to respond to these external impacts on us.

Surely, the people of Bermuda will be persuaded that we are not expected, as a Progressive Labour Party, managers of the current Bermuda, to just roll over and raise our hands and say, *We cannot fix this*. Actions of deploying these advisors are a part of meeting these external and domestic challenges.

But to have them mischaracterised in this House in the way that we have heard this evening is just, as has been plainly developed in speeches today, to sow division. But really, they have a very specific, strategic purpose. And, frankly, I am sure we wish we had the fiscal muscle to deploy greater assistance. I mean, because after what we have heard today from the EU and the envoys, I mean, we really are going to be fully engaged all of this year, certainly in the next 24 hours and in the ensuing months in needing help!

So, do not mischaracterise and bastardise the narrative to try and scorch the earth in the name of awful, racist tropes and political tropes in this country, and expect, from a former person who is meant to be a statesman and has held the role as the top statesman in the country—for him to descend to this role with knee-jerk fashion is beyond belief! And it is unacceptable. But it should not be adopted by black and white Bermudians in this country. I commend reading and rereading the level-headed budget, national budget, of this Government. Read it! And understand it. And when in doubt, read it again and look at the policy underpinnings that are there.

And know that a day in politics is not made by simply reading a budget. Governments must govern. Governments must meet challenges daily. Ministers must meet challenges daily. And to gainsay the deployment of a number of advisors as a strategy that avoids growing civil service posts is disingenuous at best, and misleading and divisive at worst.

And so, I know that we will carry on. I know that we are poised, as we always have been in this country because of our resilience, to meet these storms. And meet them we must, meet them in all possible ways that we must, and can. And so, I rise to both acknowledge and thank Members who have re-established the balance to the conversation this evening in this House. But for Bermudians to recognise that any attempt at headlining that we are off on a frolic of our own, we are off on increasing the civil service, we are off on a tax-and-spend, any of these tropes, please do not buy that narrative tomorrow or the next day or the next day.

But bear in mind we were called by the Minister of Finance to lock arms and be a force of brothers and sisters in arms, in stabilising this ship until right is ready, until the ship is brought to the side of the dock, until we cease seeing Dexter Smith of the *Royal Gazette* causing . . . actual benefit, inward investment, remaining here as opposed to his causing it to flee, as we see FinTech development begin to take hold, as we see the continuation of cruise liners arriving at the King's Wharf, where the platforms are going on slowly, but successfully there in Dockyard, where the season will commence again and we will see tourists, and taxi drivers will begin. But to believe that the Chicken Little nonsense, that this House tends . . . tends, no, worse than tends, *tries* to purvey, is sick. It is negative. It is counterproductive. But most of all, it is seen-

through. And I invite all people of this country to see through it.

Because I am not proposing that we do not see the hurt. I am not proposing that it is all a clear road for us. But we acknowledged it in the budget. We have acknowledged it in the Throne Speech—Two Bermudas, the resistance. We need to get on with joining forces, unifying a little around a common cause.

Thank you, Mr. Speaker.

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

I recognise the Honourable Member from constituency 23.

Honourable Member, you have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, I believe I can be brief tonight.

**The Speaker:** Well, you have had a long day on your feet. So, we understand that.

**Hon. Patricia J. Gordon-Pamplin:** I have had a long day.

**The Speaker:** Yes.

#### PROFESSIONAL SERVICES/CONSULTANTS AND ADVISORS

**Hon. Patricia J. Gordon-Pamplin:** But, you know, Mr. Speaker, I have been in this Honourable House for 20 years. And in 20 years of my being on both sides of the aisle I have taken and I have given as good as I have received in terms of criticism, observations, points of interest, things that I believed to be for the better good of Bermuda.

In that period of time, Mr. Speaker, I have not seen one Member of this Honourable House, on either side of the House, whose contribution was nobler than any other person's. We are all elected here for a specific purpose. We ask questions, as Opposition; we fielded questions, as Government. Some of the questions that we got when we were the Government we may not have liked. But we were obliged to answer them. Some of the questions that we have put as Opposition may seem testy, but they are necessary.

Mr. Speaker, if something comes up, we cannot make the assumption that because the Government has done it, then it is well done. Because of our role as an Opposition, we would be remiss in that role if we failed to hold the Government to account. That is the responsibility that we have as an Opposition.

Mr. Speaker, we heard earlier somebody indicate and comment that membership has its privileges. And I fully agree with the Honourable Member from constituency 31 (or 32, or wherever he is from), that membership does not have its privileges, because

there is no privilege to be here. But membership here has its responsibilities. And each and every one of us—each and every one of us—has a responsibility to honour the election that the people have given to us to sit in this Honourable House, irrespective of which side of the aisle on which we sit. We have that responsibility.

Yes, perhaps in a way it is a privilege to have been elected. And I do not wish to overstate that, and I do not wish to overlook that. But by the same token, we have a greater responsibility to ensure that we satisfy the desires of the electorate in our community.

Mr. Speaker, we hear a lot about the *what-about-ism*. *What about this? And, You criticised us for this. But what about that? You did that, and what about that?* You know, the reason why *what-about-ism* is of no consequence and of no value is simply because when the electorate believed that *what-about* is not satisfying to them, they exercised that objection through the ballot box. And that was what happened, in great measure, in the last election.

So, to hear Members from the Government talking about *What about this that you did? And what about that?* We sit here because of the *what-about*. But if the Government believes that they have the privilege of doing whatever they want to do without question, and that nobody should ask them anything, then there is going to come a day when the *what-about* starts being pointed back at the other side. What does that serve us?

Mr. Speaker, I can tell you that as we listened to Members criticising some of the things that had been said in terms of the consultants earlier, and things that were being said about, you know, *This is a dog whistle*, Mr. Speaker, there are many Members here who were not here during the last House sitting. But anybody who was, or anybody who listened, would know the number of times—check the Hansards—would be fully cognisant of the number of times that we heard the exact same criticism, *friends and family*.

I heard it, Mr. Speaker, for four and a half years, as we were the Government. Every decision that was taken was clearly predicated upon our desire to do what was best for Bermuda. But it was shut down and criticised by the then-Opposition, who failed to acknowledge at that point that they had effectively lost the Government.

So, we understand the cut and thrust of politics. But to say how offensive it is to hear the comment *friends and family* when for four and a half years the Honourable Member—especially the one who sits almost directly opposite me—that was his pet . . . and he is now sitting right opposite me, and I have to look at him and love him. But that was his pet phrase! “Friends and family,” Mr. Speaker, that was his pet phrase. And so, Mr. Speaker, it was not a dog whistle for us; so, why is it a dog whistle for them? It is a question of being honest about what we do here, and

acknowledging the fact that there are times that we have differences of opinion.

There is nothing wrong with a difference in opinion! But in so doing, Mr. Speaker, let us recognise that our political positions, albeit they may differ, there is one thing that we all have in common. I would defy anybody to say that we do not want the best for Bermuda. Does that mean that we ought not to ask questions, that we ought not to criticise? Because if by asking questions or by criticising we are able to elicit information that can cause the Government to consider, if they so wish . . . I made mention earlier that, you know, nothing that we say makes any difference. And I believe that the Chairman of the Committee had exception to that because he said, *Everybody wants to listen*. But there are times when we know that our limitations, both in terms of the numeric deficiencies that we have here, as well as the fact that we are not the Government, that people do not wish to listen to us. And I am okay with that, Mr. Speaker.

But the fact that one may not wish to listen will not preclude me from standing on my feet, making the necessary observations and offering anything that we deem to be done for the better interests of Bermuda.

We heard Members speak earlier. We heard my honourable colleague speak earlier concerning the feeling, you know, *the debt, the corruption, feeling in a funk*, all of which was ridiculed—my honourable colleague’s feeling. I said that those were the comments . . . I am sorry, no. Those were the comments that your Honourable Member responded to the comment that my Honourable Member made. So, I am sorry. I wrote it down as he said it, *debt, corruption, friends and family, losing hope, in a funk*. Those were comments that came back in response from your Member in response to the comment that my Member made. We could check the Hansard.

[Inaudible interjections]

**Hon. Patricia J. Gordon-Pamplin:** Check the Hansard.

Mr. Speaker, my honourable colleague—

[Inaudible interjections]

**Hon. Patricia J. Gordon-Pamplin:** My honourable colleague was not the author of the 136 comments that existed on *Royal Gazette* in response to the story concerning consultants. Was it wrong that we asked the question? We elicited—

[Inaudible interjections]

**Hon. Patricia J. Gordon-Pamplin:** And it is quite possible, because sometimes you turn on these things and, Mr. Speaker, for the most part, I do not even read the comments. Because they have no value and they become toxic after a while. So, you can very

easily . . . you look at a page. You can look at the top. You can see how many comments there are. You can see how many comments there are. So, you know that there have been at least 130 contributions.

So, when those contributions come, you do not necessarily have to read through each and every one of them, Mr. Speaker. But it would be foolhardy if we made the assumption that everybody who contributed, that their opinion did not have any value or worth. That is the man in the street who we represent. And I am not going to apologise for representing constituents. I am not going to apologise for asking questions. And I am not going to apologise for holding the Government to account, because that is our job.

So, Mr. Speaker, I did not wish to be long with this. But I think it is just so important to say that we all want success for this country. The Premier and the Finance Minister and all of those who are working shoulder to shoulder, and pulling the Opposition Leader and everybody else together to be able to understand and to articulate the challenges that we will be facing, this is what we are required to do. As an Opposition, as a Member of Parliament, irrespective of where we sit, if we cannot acknowledge that there are problems that beset this country that we will have to face, and stare down the eye of the tiger, Mr. Speaker, if we cannot work together on that front, then we have a serious problem. We have to start then to question, what is our value in being here?

So, there are times when we will hold hands. And there are times when we will be able to contribute and embrace and speak in one accord with Members of the Government, Mr. Speaker, because if Bermuda is being threatened, each and every one of us is being threatened. If we are talking about the possibility of being put on a blacklist, knowing that throughout the process we have jumped through hoops to pass legislation that should have given us primacy of place in terms of the decision-making by the EU that would then come back and say, *I don't care what you did. You did everything we told you to do. But notwithstanding, we still don't want to give you a clean bill of health*, that is not a comfortable situation for any of us to be in, Mr. Speaker.

And especially knowing that some of the very challenges that are being meted out to us are ones that have been overlooked by other territories that are closer to home and more friendly, I would imagine, to the European Union.

So, Mr. Speaker, if we do not pull together in this front, then we will have failed in our duty to the people of Bermuda. But, Mr. Speaker, in so doing, we also have to recognise that we have a responsibility to multitask. And in multitasking, we have on the one hand to fulfil our position as Opposition Members, and we also have, on the other hand, first and foremost, to look out for the best, good interests of Bermuda. We are going to do that, Mr. Speaker. We are going to reach across the aisle. We are going to embrace the

outreach of the Premier and the Finance Minister as he chats with our Leader in our party. We are going to do that, Mr. Speaker, because we are big enough to do it.

But what we will not continue to do is to consistently and persistently and incessantly sit and listen to nonsense coming from Members opposite who would suggest that we should just kowtow, genuflect and do whatever they say, and have no criticism thereof, because that is not going to happen.

So, as much as we will work together, as much as we want the best for this country, we also know that within the responsibility that has been laid upon us, Mr. Speaker, we have to ensure that we do what is necessary for the country. This is about the country first. It is about the country first.

I stand on my feet, Mr. Speaker, and I hear Members, Ministers of the Government saying things like, *Oh, here she is. Here she gets up*. Yes, here she is, here she gets up. Why does she get up? She gets up because she believes that she had something to say.

*[Inaudible interjections]*

**An Hon. Member:** The Honourable Member.

*[Laughter]*

**Hon. Patricia J. Gordon-Pamplin:** She, the Honourable Member.

I believe, Mr. Speaker, that I have something to say. And as a result, I will stand up. And I will not stand and hear criticism because I choose to stand on my feet, because I choose to share in a decision-making process that is going to enure to the better benefit of the entire country. I will do that. I will do it irrespective of the opinions by Members opposite and Members who sit down the aisle from me who would say things like, *Oh (you know), here she comes. And she's getting up*.

Yes, she will. And she will continue to do so, Mr. Speaker, because, as I said, for 20 years I have heard Honourable Members indicate that their prior experiences gave them training and enabled them to learn the system to allow them to be here. They have no more rights than I do to be here. I have paid the dues and learned the system, [I have] taken the abuse up one side and down the other, been criticised and done all of that, Mr. Speaker. And I still stand here, for one purpose only. And that is because the Bermuda to which I belong is more important to me than the criticism that emanates from the mouths of Members opposite.

Thank you, Mr. Speaker.

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

Premier, would you like to respond and bring us to a close?

**PROFESSIONAL SERVICES/CONSULTANTS  
AND ADVISORS**

**Hon. E. David Burt:** Thank you very much, Mr. Speaker.

Mr. Speaker, I had not intended being here this long. But I do have a few things that I want to speak about because I think that a lot has been said in this motion to adjourn, and a lot of things have gone on today.

And I just want to start, because it seems as though if we have this Jekyll-and-Hyde Opposition. It is like they are not on the same page. We have the Leader of the party standing up—

**Lt. Col. Hon. David A. Burch:** Which one?

*[Inaudible interjections and laughter]*

**Hon. E. David Burt:** This is a question. Which leader?

**The Speaker:** Members, Members.

**Hon. E. David Burt:** I will get there, Colonel. I am getting there, Colonel.

**The Speaker:** Members. Continue on.

**Hon. E. David Burt:** We have the Leader of the Opposition getting up, signing *Kumbaya*, and urging me to get on a plane. We have Sylvan Richards, who is wishing us to succeed. Then we have the former Premier in the corner grandstanding about consultants running up and down. And then we have the Shadow Minister of Finance, who sits in another place, re-igniting the One Bermuda Alliance's trust deficit. Complaining about the travel budget at the same point in time that the Opposition Leader says, *You need to get on a plane and see more people*.

*[Inaudible interjection]*

**Hon. E. David Burt:** Here we go! Do not worry. I will get through it, because I have got plenty. Do not worry, Opposition Leader. I will get to the facts.

So, we started, Mr. Speaker, with the former Premier talking about secrecy. There is no secrecy in public spending! We have a Budget Debate where the other side was allotted all sorts of time and cannot even fill the time to ask the questions. They were asking questions about consultants the other day and all the rest. What happened when the Cabinet Office was up for debate? They could have asked them. But they decided not to do so. We have 56 hours, Mr. Speaker, where questions can be asked. And yet, they give up half of the time, and yet they are talking about our being secretive. No! Do your job a little bit better.

But here we go. Because the one thing I will say is—

*[Inaudible interjections and laughter]*

**Hon. E. David Burt:** The one thing I will say is the former Premier is a little bit tricky, and is tricky. And the Minister of National Security nailed it right on the head. He is tricky. Because he will come in here, ask a half-question, have someone else to do a follow-up and then go right to his Twitter fingers and start tweeting. That is what he does. So, the Honourable Member did not ask how much consultants were remunerated. He just wanted to know which consultants there were so he can go and make up some stuff online. And I think his tweet today was, *Oh, we have all these consultants in government. And they're making a minimum of \$116,000 a year, blah-blah-blah-blah-blah-blah-blah-blah*.

*[Inaudible interjection]*

**Hon. E. David Burt:** Well, you read his tweet better than I did.

Now, Mr. Speaker . . . no, I will tell you what I said, Honourable Member. I said, for those persons who are working full-time, they are remunerated at a salary equivalent to PS-36. And that is across the board for political consultants.

Now, Mr. Speaker, there are some things that are going on here. And I just want to read for the record precisely how much individuals are being paid, because I think that it is important.

*[Inaudible interjections]*

**Hon. E. David Burt:** Ms. Trina Bean is paid \$63.57 an hour. Ms. Alexa Lightbourne is paid \$58.68 an hour. Ms. Davida Morris is paid \$63.57 an hour. All of these persons are full-time. Mr. Speaker, in each case, the advisor is required to work a minimum 35-hour workweek. And in every case, the workweek exceeds this minimum 35-hour requirement. I can confirm that there is no overtime. There is no double time. There is no extra time. It is flat.

Now, persons who are hired as ministerial advisors, and I just want to make that clear, Mr. Speaker—persons who are hired as ministerial advisors, who are not hired under the public service, must meet their full health insurance, payroll tax and social insurance as self-employed persons. Key point, Mr. Speaker.

Now, I want to repeat that again, because it is important to recognise.

Now, Mr. Speaker, there are two consultants who are working part-time. Those persons are Mr. Corey Butterfield, who is paid \$58.68 an hour, and Ms. Sherri Simmons, who is paid \$57.48 an hour. Those persons are paid hourly for work that is requested and completed, just like other vendors may be, Mr. Speaker.

Now, Mr. Speaker, these are the facts.

Now, the Honourable former Premier could have asked the question. But he decided to be tricky and just come with a part-question. He knew what he was doing. But it is fine. Because he then decided to talk about the SAGE Commission report and say how, all of a sudden, we came with a Statement. Do you know the reason why, Mr. Speaker, I came with a Statement? Do you know the reason why things were delayed until? Because we are busy checking, making sure that we got the answers right. And if you have not heard, the Office of the Premier is actually engaged in some important matters with the European Union.

And so, we asked for leave of the House to defer the questions so we could make sure to come with a full Statement and context. Clearly, I did not have enough time to give a full Statement and context because, despite the context, there was still the normal noise of which was made.

But, Mr. Speaker, we heard about, *Oh. All of a sudden, the Government is quoting the SAGE Commission report.* Well, Mr. Speaker, I have a computer in front of me. And, Mr. Speaker, we spoke in the 2016 Budget Reply about the recommendations from the SAGE Commission report, the 2016 Throne Speech Reply about the recommendation of the SAGE report, the 2017 Budget Reply about the recommendation about the SAGE report and, Mr. Speaker, in the 2017 platform of which we were elected, talking about putting in place the matters of efficiency.

Now, Mr. Speaker, here is why it is important. You have heard me say before that we can be transactional or we can be transformational. A Minister cannot be transformational if a Minister is spending all day replying to emails. This is a fact, Mr. Speaker. That is a fact. A Minister cannot be transformational if they are worrying about the day-to-day transactional activities. I recognise that. The SAGE Commission recognises that. The Civil Service Review recognises that. Why can't the former Premier? He seems to go on with pride about the fact that he had part-time Ministers. How did that work out for the people of this country, Mr. Speaker?

*[Inaudible interjections]*

**Hon. E. David Burt:** Come on, Mr. Speaker! We cannot solve today's challenges with yesterday's structure and ask why we are getting yesterday's results. It is very, very simple, Mr. Speaker.

So. So. So . . .

No. And we heard the gentleman over there talk about, *Let's see tomorrow's results.* Okay. All right. It is ready.

**Hon. Zane. J. S. De Silva:** So, what are you hoping for tomorrow, sir?

*[Inaudible interjections]*

**Hon. E. David Burt:** Okay. Let us be clear. Let us be clear. All right. Do not worry. We will get to the Honourable Member, Mr. Scott Pearman, in a little bit. We will get to him. Yes. We will get to him.

Because, Mr. Speaker, here is what is important. And I spoke about this whole issue of a trust deficit. If you are going to get up and lecture, make sure the people who you are trying to bring along, like the Shadow Minister of Finance, who sits in another place, get the facts right. Because today, the entire country was treated to more of the same misleading from the Opposition, who developed a trust deficit while in office and are still doing the same thing. And I am just going to run over four points, Mr. Speaker.

The first, which we heard in the Budget Reply, where he said that the OBA handed over a Government spending only \$908 million, when the last OBA Budget was \$923 million in spending. Lie number one.

Number two: The OBA . . . here he goes. He said that we have hired 380 new government workers. That was his next statement, Mr. Speaker. And in fact, the last OBA budget budgeted for 5,017. This PLP budget budgeted for 5,082 government workers—a difference of 65 and not 318. Can the Honourable Member, who is the Shadow Minister of Finance, not do math? Or is he just purposely misleading the country? And let me very clear, Mr. Speaker, on these particular issues, right? Because you can save money by spending money.

Let me give you an example. When we hired nurses to open up the top floor of the Sylvia Richardson Health Care facility, as opposed to having our persons in the hospital, it saved the government money, Mr. Speaker. When we are talking about hiring additional people who are short-staffed in our security services to reduce the overtime bill, it saved the government money, Mr. Speaker. But it seems to be something that they do not get. They were focused—focused—on some radical top line without realising the damage that this was doing.

Now, Mr. Speaker, they then said that salaries, wages and employee overhead and other costs have increased by \$36.7 million since the election. Lies, Mr. Speaker, pure lies. Because the facts are that the OBA budgeted for \$475 million of salaries in their last budget, Mr. Speaker. Guess what the budget was this year? [It was] \$478 million, Mr. Speaker, a \$3 million increase, despite giving our workers a pay increase. It is called efficiency and working.

Then, Mr. Speaker, this is very interesting. They said that they handed over a yearly consultancy budget spend of \$12.7 million. And this year, the PLP is budgeting for \$15.9 million, an increase of \$3.2 million in two years. Back to that word again, *consultants*. Now, here are the facts, Mr. Speaker. The last One Bermuda Alliance budget had a total of \$17 million budgeted for consultants. And this year, it is \$15 million, a decrease of \$2 million. Those are the facts, Mr. Speaker.

But I remember when I was Chairman of the Progressive Labour Party and I tried to send in an op-ed to the *Royal Gazette*. And they checked my facts like anything. They checked them. But the Shadow Minister of Finance, writing from the Royal Bermuda Yacht Club, can just send in his thing and nobody checks his facts.

*[Inaudible interjections]*

### PASTOR LEROY BEAN'S SALARY

**Hon. E. David Burt:** Let him write his stuff, and nobody says a word! Falsehoods! But that is okay, because it fits into that narrative. That is right. Someone says a *combined opposition*. It fits right into that narrative, Mr. Speaker, right into that narrative. And the Honourable Minister of National Security was talking about before that it does not matter about the qualifications. It does not matter about anything. You can read headlines about Leroy Bean, but you will not read a headline about Kevin Dallas—not a one, Mr. Speaker.

Now, let us be clear. I am not standing up here to defend. I am up here to say something very simple. Pastor Leroy Bean works incredibly hard. I have never, ever seen such a dedicated person for this particular mission, Mr. Speaker. He is up late in the night. He is up in morning. He is doing his stuff. And here is what we will say, Mr. Speaker. He will be judged on the results.

As you would have heard in the National Security debates, we gave additional funding to tackle the root causes of violence in our community, which is important, and we are making the investment where it counts, Mr. Speaker. Because it is important. And that \$600,000 which was given to the Ministry of National Security is to focus on those particular programmes, because we cannot arrest our way out of this problem. Those are the priorities of this Government, Mr. Speaker, dealing with the challenges which we have.

It is the exact same reason that the Minister of Education reminded persons opposite earlier of the money that we found for education. We directed it from other places to make sure that our persons can become educated. We are investing in the future, Mr. Speaker. And that is important.

### EU BLACKLISTING OF BERMUDA

**Hon. E. David Burt:** Now, Mr. Speaker, let me move on to the other topic. That was the issue of the European Union. Now, earlier, the former Attorney General, in one of his rare appearances in this Honourable Chamber, decided that he was going to say, *Oh, we haven't heard anything from the Government*. And I thought it was rather strange because I know that a release was sent out today at 3:36 pm.

But I am going to read it for Honourable Members. And there are only three Honourable Members from the Opposition still here. I am happy that the Opposition Leader is still here. I appreciate that. We were in a meeting earlier today, as he previously indicated.

And I am just going to read the press release. It said, and I quote, if I may, Mr. Speaker: "Premier David Burt today indicated that the Government is aware of reports from Brussels suggesting that Bermuda is to be added to the European Union's list on non-cooperative tax jurisdictions.

"The Premier said: 'We have been monitoring events closely for several days and have continued to engage at the highest levels of the various groups within the EU that play a role in the decision-making process.

"Our message has been a clear and simple one: Bermuda is compliant and met the required standard before any recommendations were considered.

"We have had some support in making that case and we have spared no efforts in doing so. Tomorrow's meeting is an important one and we are preparing for any outcome.

"Bermuda remains a jurisdiction of choice and our reputation of sound regulation and adherence to the highest standards has been validated across many assessments over several years.

"We are confident that whatever the outcome of tomorrow's meeting in Brussels, the reputation will be maintained and an economic substance regime, compliant with the EU's requirements, will continue to be implemented."

Now, Mr. Speaker, I am just going to say that this has been an incredibly difficult process. And it has been an incredibly difficult process because, at many points in time, persons have felt that Bermuda has been unfairly treated. And the Opposition Leader was in a meeting earlier where there were persons who were perplexed and surprised that the Bermuda Government, whose economic substance regulations are judged by industry as being far more stringent than other jurisdictions, are facing the risk of being put on a list. (And you will not hear me say the "B-list" word, because that is a whole other story that I can go to. So, I do not know why bad things have to be black.) I am saying "non-co-operative" jurisdictions.

But here is the thing, Mr. Speaker.

**An Hon. Member:** Wow.

**Hon. E. David Burt:** It is a fact.

**The Speaker:** Yes.

**Hon. E. David Burt:** But here is the thing, Mr. Speaker. Whereas other countries, who may not have such stringent regulations, who may actually have things

included inside of their legislation that we were expressly told that we could not include in ours, seem to be getting a pass.

Mr. Speaker, let me be clear. We do not know what may happen tomorrow because we have been working in diplomatic channels. But if for some reason Bermuda is included on the European Union's list, it will not be the end of Bermuda. Because we have been on the European Union's list before. We will work through this particular issue. And we remain confident in the ratings of the persons who have fair assessments, such as the OECD, that what we have in Bermuda is fair and transparent, and meets the standards.

But what we will do, Mr. Speaker, and what was clear in the meeting that was assembled today with representatives from the Bermuda Monetary Authority, with representatives from the Association of Bermuda Insurers and Reinsurers, with representatives from the various law firms and accountancy firms here, with representation from our various insurance sectors and our investment managers, and representation from the BDA, in addition to the Opposition Leader, what we made clear—and everyone in that room was united—was that should Bermuda appear on a list that we do not want to be on, we will work together to make sure that whatever is necessary to be resolved will be resolved in the quickest form and fashion.

Because, for a jurisdiction that has led in tax transparency, for a jurisdiction that has been at the forefront of making sure that we implement the latest regulations, and for a jurisdiction that has been recognised at the highest levels for its transparency and compliance, it would seem to fly in the face of those particular efforts, Mr. Speaker. However, nothing is for certain. What I will say, Mr. Speaker, is that I welcome the words of the Opposition Leader. And I welcome his support on this particular issue. And I look forward to this support continuing, because there is one thing that is clear. Whereas others want Bermuda to fail, I would suspect that every single person, not only inside of this House, but every single person inside of this country wants Bermuda to succeed.

The only way that we can work together as a country united is if we can have honest discourse, if we can come with a clean hand and a pure heart, and if we can say, *I am willing to come to the table to work together.*

Mr. Speaker, it is not with sneaky questions that you just go and tweet. It is not by op-eds that willingly manipulate numbers to serve some type of local end, as opposed to the facts, Mr. Speaker. If we really want to work together, Mr. Speaker, then I am going to ask that Members opposite criticise when they want, but please do it in a spirit of truth and in a spirit of construction, because if we are going to do it to tear down, if we are going to do it to sow discord, then it is not going to work. And the people in this country, who

want us to work together, will only be more and more turned off.

Tomorrow will be a big day, Mr. Speaker. And whatever the result, I am expecting that all of us will rise to the occasion to defend the Bermuda that we so love from those who are so desperate to see our country fail.

Thank you, Mr. Speaker.

*[Desk thumping]*

**The Speaker:** Members, with that—

*[Timer beeps]*

**The Speaker:** Premier, you just beat the clock.

With that, good night. We will see you on Wednesday morning at nine o'clock am.

*[At 11:03 pm, the House stood adjourned until 9:00 am, Wednesday, 13 March 2019.]*