



**2020/2021 SESSION**  
of the  
**BERMUDA HOUSE OF ASSEMBLY**  
**OFFICIAL HANSARD REPORT**

**12 MARCH 2021**

**Virtual Sitting**

*Sitting number 11 of the 2020/2021 Session*  
*(pages 769–876)*

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

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**BERMUDA HOUSE OF ASSEMBLY****OFFICIAL HANSARD REPORT  
VIRTUAL MEETING  
12 MARCH 2021  
10:00 AM**

*Sitting Number 11 of the 2020/21 Session*

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

**The Speaker:** Good morning, Members, to the sitting this morning.

To start today's session Madam Clerk will lead us in prayer this morning.  
Madam Clerk.

**PRAYERS**

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

**The Speaker:** Thank you, Madam Clerk.  
Members, the House is now in session.

*[Gavel]*

**CONFIRMATION OF MINUTES**

*[Minutes of 8 March 2021]*

**The Speaker:** Members, the Minutes from the 8<sup>th</sup> of March have been circulated. Are there any omissions or amendments, adjustments to be made to them?

There are none.

The Minutes will be confirmed as printed.

*[Minutes of 8 March 2021 confirmed]*

**The Speaker:** The Minutes of the 10<sup>th</sup> of March have been deferred.

**MESSAGES FROM THE GOVERNOR**

**The Speaker:** There are none.

**ANNOUNCEMENTS BY THE SPEAKER  
OR MEMBER PRESIDING**

**The Speaker:** There are none.

**MESSAGES FROM THE SENATE**

**The Speaker:** There are none.

**PAPERS AND OTHER  
COMMUNICATIONS TO THE HOUSE**

**The Speaker:** There are none.

**PETITIONS**

**The Speaker:** There are none.

**STATEMENTS BY MINISTERS  
AND JUNIOR MINISTERS**

**The Speaker:** There is one Statement this morning from Madam Attorney General.

Minister, Attorney General, would you like to present your Statement at this point?

**Hon. Kathy Lynn Simmons:** Yes, thank you, Mr. Speaker, and good morning.

**The Speaker:** Good morning.

Go right ahead. You have the floor.

**EXPUNGEMENT OF CONVICTIONS ACT 2020  
(IMPLEMENTING ONLINE APPLICATION)**

**Hon. Kathy Lynn Simmons:** Thank you.

Mr. Speaker, I am pleased to inform this Honourable House that the [Expungement of Convictions Act 2020](#) was brought into operation yesterday, March the 11<sup>th</sup>, 2021.

Mr. Speaker, the technical and other measures are now in place to allow for the expungement of convictions. The Legal Affairs and Constitutional Reform Ministry's team has worked collaboratively with the Department of Information Digital Technologies (IDT), the Bermuda Police Service and the Judicial Department to design and launch a user-friendly online application platform for persons wishing to apply for an expungement order.

The online application tool is launched today, March 12, 2021. Applicants are now able to begin the process of successfully making an application for an expungement order to erase historic criminal conviction records for the offence of *simple possession of cannabis of seven grams or less* for offences committed before December 20, 2017.

Mr. Speaker, December 20, 2017, is the relevant date, as that was when the Misuse of Drugs (Decriminalisation of Cannabis) Amendment Act 2017 became law, removing criminal sanctions for cannabis possession of seven grams or less in Bermuda. By allowing expungement of criminal records prior to the decriminalisation of seven grams or less of cannabis, the Government has ensured that persons formerly convicted are not excluded from the social justice reforms that are being instituted. This, therefore, is the latest development in our Government's commitment to meaningful cannabis reform, to stop a historical trend that has disproportionately impacted our Black male population.

Mr. Speaker, in simple terms the Expungement of Convictions Act 2020 allows anyone convicted of the "relevant offence," as per the Act, of simple possession of seven grams or less of cannabis to apply to the Minister responsible for legal affairs to have that conviction expunged by order of the Minister. Applicants must submit all of the prescribed information as set out in section 6 of the Act, as follows:

- the applicant's name, address and date of birth;
- the applicant's name and address at the time of the conviction;
- details of the conviction; and
- any other information the Minister requires.

Additionally, Mr. Speaker, applicants can provide any other information they wish to be considered by the Minister for the purpose of making a determination whether to grant an expungement order.

The Act (and the application process) makes allowances for an appropriate person, as determined by the Minister, to apply posthumously to exonerate family members or loved ones who have passed away before the Act came into effect. The Act also permits an appropriate person to apply on behalf of a person with physical or mental disabilities.

Mr. Speaker, no effort has been spared to make applying for an expungement order as easy as possible for applicants and appropriate persons. To apply, one simply has to visit the Legal Affairs and Constitutional Reform Ministry's webpage on the government portal [www.gov.bm](http://www.gov.bm) and follow the link to the online <sup>1</sup>expungement application tool.

Alternatively, the government portal homepage will display a quick link to the application tool. Persons can also use the search function on the government portal, using the search term "expungement application." Information about the application process has been helpfully outlined for the public in Guidance Notes which are easily accessible on the government portal.

Mr. Speaker, having an online application tool aligns with Government's initiative to encourage e-government services. This reduces the burden on

Human Resources, and the simplified administrative process reduces the need for personal contact. In-person contact continues to be discouraged as we take precautions during the current COVID-19 pandemic. Given the relative ease of doing so, prospective applicants are encouraged to apply online using the application tool and the associated Guidance Notes. As an alternative to the online tool, hard-copy forms can be collected from the Ministry of Legal Affairs and Constitutional Reform Headquarters on the fourth floor of Global House, 42 Church Street in Hamilton.

Mr. Speaker, once a completed application is received by the Ministry it will be vetted to ensure all prescribed and relevant information has been provided. Applicants must also give authorization on their application to permit the Ministry to liaise with the Bermuda Police Service and the Judicial Department to search their criminal records repositories for the relevant conviction records and details of the associated offence.

The Ministry would like to advise members of the public that it may take up to two weeks for the criminal record-holding authorities to search and make the records available. The delay is attributable to challenges with accessing historic criminal records that are not digitalised and may have been contaminated, archived or destroyed, or are otherwise not sufficiently detailed to classify the amount of cannabis associated with a particular conviction.

Let me also clarify, Mr. Speaker, that criminal records kept by these entities for simple possession of cannabis offences were not compiled with the purpose of future expungement in mind. Previously, there would not have necessarily been a need for an official criminal record to specifically annotate the offence related to seven grams or less of cannabis. Therefore, some forensic review of the records is required, which is laborious and may add additional time to the process. Therefore, we ask that the public remain patient with that process.

The Bermuda Police Service and the Judicial Department have undertaken to support the process by continued collaboration with respect to the retention and retrieval of accurate criminal records and for the systemwide expungement of records subject to an expungement order. Mr. Speaker, I am particularly grateful for this undertaking and the respective commitment by the Bermuda Police Service and the Judicial Department to allocate institutional resources to ensure the success of the expungement process.

Mr. Speaker, once all of the pertinent information is received, the Ministry's technical officers will review the completed application form and relevant documents, any supplemental information received from the applicant, and the criminal records information supplied by the Bermuda Police Service and the Judicial Department. This review allows the Ministry's officers to make a recommendation to the Minis-

<sup>1</sup> [See correction at page 774](#)

ter on whether to grant or refuse an expungement order according to the terms of the Act. Where an expungement order is granted by the Minister, the person to whom the order relates will be treated as not having

- committed the offence;
- been charged with or prosecuted for the offence;
- been convicted of the offence; nor
- been sentenced for the offence.

The effect of this process is that the relevant offence is completely erased for all material purposes under Bermuda law.

Mr. Speaker the Expungement of Convictions Act 2020 prescribes severe criminal penalties for persons who make unauthorised disclosures of expunged convictions and for persons who obtain such information fraudulently.

Mr. Speaker, should the Minister refuse to make an expungement order, the applicant will be notified of the refusal in writing within seven days of the Minister's decision. A person aggrieved by the Minister's decision not to make an expungement order will then have 21 days to appeal to the Supreme Court.

Mr. Speaker, having outlined the procedure for applying for an expungement order, I now wish to again clarify for this Honourable House and the listening public the information that was shared with regard to the Expungement of Convictions Act 2020 during the months of July and August 2020. In particular, one of the pressing questions which continues to arise is whether expungement of a prior cannabis conviction record will remove a person from the US Immigration's stop list. This question cannot be answered definitively, as US immigration policy is entirely of its own making and operates independent of other countries' laws.

Canadians, for example, are faced with a similar challenge to Bermuda. The Government of Canada has similar issues in that the United States continues to refuse to accept some Canadians for entry into the US even after they have received pardons for prior convictions. The Government of Bermuda continues discussions with the US Consul General to address the difficulties faced by Bermudians who find themselves denied entry into the US, particularly when their travel is for educational purposes, national sports representation and critical access to medical treatment.

Mr. Speaker, there is some optimism that with the relatively recent trend of decriminalisation across the US and potential for federal law changes to cannabis restrictions in the United States, expungement offers the best opportunity for overcoming the stop list hurdle in the future.

Mr. Speaker, where we can give assurances is by highlighting that once an expungement order is issued, local authorities would be prohibited from providing criminal conviction records for the expunged

offence to any person or entity locally or internationally. In other words, no new criminal record information for expunged offences could be provided to US Immigration authorities after an expungement order is issued.

Mr. Speaker, I cannot emphasise enough the Government's commitment to the underlying policy reasons for granting expungement orders aimed at erasing and minimising the legacy effects of discriminatory, racialised and unjust criminal sanctions which continue to hamper those formerly convicted persons from gaining equal treatment in the areas of employment, housing and other legal ramifications.

Mr. Speaker, by taking the steps to apply for an expungement order, we anticipate that affected persons will feel empowered with a sense of renewed dignity, hope and promise for fuller participation in all facets of society. Additionally, we challenge entities and individuals to respect the right for these past convictions to be forgotten, and to continue to interrogate and unlearn our previous biases, prejudices and stigmas of persons formerly convicted of minor cannabis offences to truly exemplify the restoration of justice and the grace of our shared humanity.

Mr. Speaker, I would like to take this time to thank the Ministry of Legal Affairs Policy Team led by Livingston Wedderburn, my assistant; Permanent Secretary Gina Hurst-Maybury; my policy analyst Jason Outerbridge; and the BPS [Bermuda Police Service] and the Judicial Department for assisting with this process.

Finally, Mr. Speaker, potential applicants are once again directed to the Ministry of Legal Affairs and Constitutional Reform webpage on the government's web portal to obtain the information necessary to apply for an expungement order.

Thank you, Mr. Speaker.

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

That being the only Statement this morning, we will now move on to the next item on the Order Paper.

## REPORTS OF COMMITTEES

**The Speaker:** There are none.

## QUESTION PERIOD

**The Speaker:** This morning we have the written questions which were deferred from the 26<sup>th</sup> [of February]. And those questions are from the Opposition Leader to the Minister of Finance. And there were three questions that sought an oral response.

Opposition Leader, would you like to put your questions to the Minister at this stage?

**Hon. N. H. Cole Simons:** Thank you, Mr. Speaker.

**Hon. Curtis L. Dickinson:** Mr. Speaker, we had . . . today is Friday . . . I am sorry . . . Mr. Speaker, we have the responses.

I am sorry.

**The Speaker:** Yes, Minister. You had agreed that we will do them today.

**Hon. Curtis L. Dickinson:** Yes. I have them. Let me get them out of my bag, Mr. Speaker.

**The Speaker:** Are you ready?

**Hon. N. H. Cole Simons:** Yes.

**The Speaker:** He is retrieving his responses to you. He has indicated that they are available. He just does not have them in front of him at the moment. I am going to give the Minister another moment to collect the necessary responses.

**Hon. N. H. Cole Simons:** Okay. What is wrong with my video? Can you see me, Mr. Speaker?

**The Speaker:** Opposition Leader, we were able to see you before. Now we do not see you. We hear you. Your video was on at first.

And the Minister is back in his chair. So I am assuming, Minister, you have the information now?

**Hon. Curtis L. Dickinson:** I do.

**The Speaker:** Okay.

Opposition Leader, when you are ready.

#### **QUESTION 1: CONSOLIDATED FUND ACCOUNTS MARCH 2018–MARCH 2020**

**Hon. N. H. Cole Simons:** Will the Honourable Minister please confirm to this Honourable House the value of the total accounts receivables due to the Bermuda Government's Consolidated Fund as at March 31, 2018, March 31, 2019, and March 31, 2020?

**The Speaker:** Thank you, Opposition Leader. (While the Minister is responding to you, you can adjust—yes, we have the camera on now. We see you.)

Minister, would you like to give your response?

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

**The Speaker:** Good morning.

**Hon. Curtis L. Dickinson:** The question was . . . is the Honourable Opposition Leader changing the addressee of the question?

**The Speaker:** Say that again?

**Hon. Curtis L. Dickinson:** The questions that I have in front of me, question 1 says, "Will the *Honourable Premier* please confirm to this Honourable House . . ." I am asking, is he now changing the addressee of the question?

**Hon. N. H. Cole Simons:** Yes.

**The Speaker:** Yes.

**Hon. Curtis L. Dickinson:** Okay.

Mr. Speaker, the information is as follows: For March 31, 2018, total receivables, \$310,245,018, less provision for doubtful accounts of \$130,545,108, for total receivables less provisions of \$179,699,910. And this would have been a change from the prior period, which had total receivables of \$285,348,814 with allowance for \$128,582,744 for total receivables less provisions for the period March 31, 2017, of \$156,766,070.

For March 31, 2019, the sum of \$332,569,741 is the total receivables number. The provision for doubtful accounts is \$137,008,703, for total receivables less provision of \$195,561,038.

The March 31, 2020, is \$357,606,609 for total receivables. The provision for doubtful accounts is \$158,382,071, for total receivables less provision of \$199,224,538.

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

Opposition Leader, do you have supplementaries?

**Hon. N. H. Cole Simons:** I do have supplementaries, sir.

**The Speaker:** You can put your first supplementary.

#### **SUPPLEMENTARIES**

**Hon. N. H. Cole Simons:** Can the Minister confirm the balance as at December 31, 2020?

**The Speaker:** Minister.

**Hon. Curtis L. Dickinson:** Minister, I can confirm that number later. That was not the question that was put to us for answering in the PQ's [Parliamentary Questions]. So we would have to go back and pull that information.

**Hon. N. H. Cole Simons:** I accept that. I accept that.

**The Speaker:** Do you have a further supplementary?

**Hon. N. H. Cole Simons:** Yes.

**The Speaker:** Second supplementary. Go ahead.

**Hon. N. H. Cole Simons:** Can the Minister name the consultants now being used to manage the recovery of these outstanding receivables? And how much are they [charging] in fees?

**Hon. Curtis L. Dickinson:** I would need to get—so we retained PwC to assist with collections. And there is a second firm—the name escapes my memory right now; I can get back to the Opposition Leader. And I can get the details around contingency. They get paid on a success base. So inasmuch as they are able to collect past due amounts, they get paid a percentage of the amounts that they collect. I can get that to you sometime, but I do not have the information at my fingertips.

**Hon. N. H. Cole Simons:** Thank you very much.

**The Speaker:** Thank you.

You can put your second question now.

**Hon. N. H. Cole Simons:** Oh, no. That is it for now. Thank you.

**The Speaker:** No, but your second question, your written question.

**Hon. N. H. Cole Simons:** Oh, second question. Yes.

**The Speaker:** You used up your two supplementaries. Now you move on to your second question.

### QUESTION 2: CONSOLIDATED FUND ACCOUNTS MARCH 2018–MARCH 2020

**Hon. N. H. Cole Simons:** That is right.

Will the Honourable Minister please provide this Honourable House an aged receivable schedule for the three years in question?

**The Speaker:** Minister.

**Hon. Curtis L. Dickinson:** Minister, I will present these numbers for each fiscal year over five periods. The periods will be zero to 90 days, 91 to 120 days, 121 to 180 days, 181 to 365 days, and then over one year.

So for the fiscal year ended March 31, 2018, the zero-to-90 days is \$142,306,742. Next then, the 91-to-120 is \$5,565,060. Days 121-to-180, \$1,431,518. Days 181-to-365, \$4,553,891. And for over one year, \$156,387,808, for a total of \$310,245,018. That number is a \$24.869 million increase over the prior year's balance of \$285,348,814.

For the fiscal year ended March 31, 2019, zero-to-90 days, \$151,438,894. For 91-to-120 days, \$3,787,207. For 121-to-180 days, \$980,084. For

181-to-365 days, \$1,951,649. Over one year, \$174,411,907. The total is \$332,569,741.

For the period ended March 31, 2020, zero-to-90 days, \$163,057,325. For 91-to-120 days, \$3,076,434. For 121-to-180 days, \$259,891. For 181-to-365 days, \$3,038,919. For over one year, \$188,174,039, for a total of \$357,606,609.

**Hon. N. H. Cole Simons:** Thank you. I have no supplementaries on question number 2.

**The Speaker:** No supplementaries. You can do your question number 3.

### QUESTION 3: CONSOLIDATED FUND ACCOUNTS MARCH 2018–MARCH 2020

**Hon. N. H. Cole Simons:** Will the Honourable Minister please confirm to this Honourable House the value and details of receivables written off the Government's books for the last three years?

**The Speaker:** Minister.

**Hon. Curtis L. Dickinson:** Mr. Speaker, I have been advised that it has not been the Government's practice to ever write anything off of the books with respect to receivables. The receivables balance that currently stands has been the long-standing balance of both of the balance for the government. With respect to the last three years, that answer would also be zero.

**The Speaker:** Thank you.  
Supplementary?

**Hon. N. H. Cole Simons:** Supplementary.

**The Speaker:** Yes. Put your first supplementary.

### SUPPLEMENTARIES

**Hon. N. H. Cole Simons:** Are there criteria that allow for write-offs? And if there are, what are the qualifications?

**Hon. Curtis L. Dickinson:** Mr. Speaker, I am referring the Honourable Member to my prior answer wherein the Government has not historically written off receivables. So inasmuch as this policy [exists], if there is one, it may have been not to write anything off.

I would advise the Honourable Member that the Government is currently without an Accountant General. And also the vacancy for an Assistant Accountant General post currently is open.

But I can tell you that there is considerable work that needs to be done with respect to the management of the accounts receivable. It is an area of focus. And we will have to understand that it is about

what the policies are with respect to writing off receivables. I think I said in my first Budget Statement, “wholly unacceptable” that monies that are due to government are not being collected as aggressively as they need to be. And renewed focus will be placed in that area.

**Hon. N. H. Cole Simons:** Supplementary.

**The Speaker:** Yes. Second supplementary, yes.

**Hon. N. H. Cole Simons:** So will I be correct in understanding that at this point in time there are no write-off policies?

**Hon. Curtis L. Dickinson:** Mr. Speaker, I would have to refer the Honourable Member to my prior answer. I am unable to give a definitive answer to that question other than to say that it has been the practice of the government not to write off any receivables. So my assumption is that there is no policy with respect to write-offs. I would need to confirm that with the Acting Accountant General. But inasmuch as there have been no write-offs, my assumption is that there is no policy with respect to write-offs.

**Hon. N. H. Cole Simons:** Okay. Can you make an undertaking with the advisors that there is no policy at this point in time? I hear what you are saying; I accept what you said.

*[Feedback]*

**The Speaker:** Thank you, Member. You have exhausted your supplementaries.

No one else wants to make a supplementary?

That brings us to a close of the written questions for today.

No Members have indicated any questions for the Statement that was read this morning by the Attorney General. So we can now move on to the next item on the Order Paper.

**Hon. Kathy Lynn Simmons:** Mr. Speaker.

**The Speaker:** Congratulatory and/or Obituary Speeches. Would any Member wish to make a contribution at this time?

**Hon. Kathy Lynn Simmons:** Mr. Speaker.

**The Speaker:** Madam Attorney General, is that you?

**Hon. Kathy Lynn Simmons:** Yes. My apologies—

**The Speaker:** You can have your—

**Hon. Kathy Lynn Simmons:** —before I go on to that, I would just like to clarify an error that is in my State-

ment. The application form is not on the government portal [www.gov.bm](http://www.gov.bm). It is actually on forms—

**The Speaker:** Let me just hold you up. Let me just hold you up. What you should do is ask the indulgence of the House to allow you to make that correction because we are on another section.

## STATEMENTS BY MINISTERS AND JUNIOR MINISTERS

### EXPUNGEMENT OF CONVICTIONS ACT 2020 (IMPLEMENTING ONLINE APPLICATION)

*[Correction to Ministerial Statement]*

**Hon. Kathy Lynn Simmons:** Then I will ask the indulgence of the House to make that correction. Thank you, Mr. Speaker.

**The Speaker:** Is there any objection to allowing the indulgence of the Attorney General at this moment?

There is none.

Now you can proceed, Attorney General.

**Hon. Kathy Lynn Simmons:** Okay. As I just said previously, Mr. Speaker . . . and thank you for that indulgence. The government portal, [www.gov.bm](http://www.gov.bm), does not contain the application form for an expungement order. It is contained in [forms.gov.bm](http://forms.gov.bm).

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Madam Attorney General.

Now, Madam Attorney General, did you wish to make a contribution under the Congratulatory and/or Obituary Speeches?

**Hon. Kathy Lynn Simmons:** Yes. Thank you, Mr. Speaker.

**The Speaker:** You have your three minutes.

## CONGRATULATORY AND/OR OBITUARY SPEECHES

**Hon. Kathy Lynn Simmons:** Thank you. I do not need three minutes.

But I would like to take this time to express my condolences to my marriage family with respect to the passing of their mother. And she is Ms. Iris Ramsay. “Grandmother” or “Mama” as they call her, she has been a pillar of her family. She was blessed to have children who are wonderful. She was blessed to have grandchildren and great-grandchildren, friends and family of Vernon Temple Church. And she lived to enjoy 99 years. She was in her 99<sup>th</sup> year. She was a woman who was the pillar of her church, the pillar of her family. And I would like to acknowledge her contributions to Ageing Well. Colleagues will know that—

**Hon. N. H. Cole Simons:** Yes.

**Hon. Kathy Lynn Simmons:** My colleague, MP Simmons-Wade, is responsible for the Ageing Well Committee. And I would like to recommend Grandmother Iris Ramsay as a just wonderful example of what it means to age well. She enjoyed her life. She enjoyed her family. And she was full of joy and resilience right up to the end. So, to my family, my marriage family I send my sincere condolences and those of my colleagues for the passing of a wonderful woman, and celebrate her life—Ms. Iris Ramsay.

Thank you, Mr. Speaker.

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

Does any other Member wish to make a contribution at this time?

**Some Hon. Members:** Mr. Speaker.

**The Speaker:** I hear two voices, Opposition Leader and another voice.

Opposition Leader, would you like to continue?

**Hon. N. H. Cole Simons:** I would just like to associate myself—

**The Speaker:** You have your three minutes then.

**Hon. N. H. Cole Simons:** No, I am not going to be three minutes. I just want to associate myself with the comments made by the Attorney General in regard to Ms. Ramsey. I knew the young lady. And as her granddaughter-in-law said, she was a vibrant person, full of energy. And she was my cousin's grandmother on Davida's side. Davida is her daughter. And Dupierre is my cousin. So that is how I made that connection.

I am saddened by her passing. But she lived a full life, an active life. And as was said earlier, she was the pillar of the Ramsay family. So, condolences to the family and the children.

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

Does any other Honourable Member wish to make a contribution at this time?

**Mr. Hubert (Kim) E. Swan:** Mr. Speaker.

**The Speaker:** It sounds like the Honourable Member Swan from the East End. Would you like your three minutes at this point, sir?

**Mr. Hubert (Kim) E. Swan:** Mr. Speaker, I would like to have condolences sent to the family of Mr. Greg Maybury, who hailed from Somerset but was raised and educated formally first in St. George's. And from the St. George's family to the Somerset family, and

everybody in between, and the Port Royal Golf Course family, I offer my deepest condolences to—

**The Speaker:** I think you are associating yourself. Because I believe we had done it when we first came back.

**Mr. Hubert (Kim) E. Swan:** Did we do it?

**The Speaker:** Yes.

**Mr. Hubert (Kim) E. Swan:** Okay. Well, I did not—

**The Speaker:** I understand.

*[Crosstalk]*

**Mr. Hubert (Kim) E. Swan:** Well, I will associate if that is the case, Mr. Speaker.

And, Mr. Speaker, I would like for condolences to be sent to the family of Ms. Artemisa Gibbons from Wellington Slip Road. And I will associate my colleagues Minister Ming and MP Foggo from St. George's, and cousin Brother Derrick, and the family of Ms. Gibbons, whom I knew very well. We all mourn her passing. She also lived to be in her 99<sup>th</sup> year (and the water is good) down in the East. And we were blessed to have her with us for a very long time.

And on a happier note, [congratulations to] the family of Dara Alizadeh and the Bermuda Rowing Association for a tremendous achievement of qualifying in rowing for the Tokyo Olympics coming up. On behalf of the Minister in another place, Dr. Peets, I offer a heartfelt congratulations to an outstanding achievement in sport. Thank you.

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

Does any other Member wish to make a contribution at this time?

**Mr. Christopher Famous:** Yes, Mr. Speaker. Good morning.

**The Speaker:** It sounds like Honourable Member Famous. Honourable Member, you have your three minutes.

**Mr. Christopher Famous:** Yes. Good morning, Mr. Speaker. I am going to be brief.

I just want to give condolences to the Simmons family of Devonshire, Roberts Avenue to be specific, on the sudden passing of Mr. Lloyd Simmons. He was a veteran taxi driver. He was a staunch PLP supporter. Just two months ago he was out assisting us doing a clean-up on Roberts Avenue. Anyone who has driven to National Stadium or of course Roberts Avenue would see there is a very bright green house right on the roadside. And he always took pride in keeping that area, along with other

neighbours'—Harry Andrews was one of them—keeping that area very clean. And he was looking forward to showing off the neighbourhood to CARIFTA, which under normal circumstances would have been this coming Easter. So I just want to give condolences to his wife and his family.

Thank you, Mr. Speaker.

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

Was it the Honourable Member Foggo? Were you trying to get in?

**Ms. Lovitta F. Foggo:** Yes, Mr. Speaker, I was. Can you hear me?

**The Speaker:** We can hear you now. We saw you before, but we could not hear you. Yes. There you go.

**Ms. Lovitta F. Foggo:** Can you hear me?

**The Speaker:** Yes. We hear you. We hear you. Now you have muted yourself again.

**Ms. Lovitta F. Foggo:** Mr. Speaker, can you hear me now?

**The Speaker:** Yes. We hear you.

**Ms. Lovitta F. Foggo:** Okay. I do not know what was wrong with my iPad that time but I—.

**The Speaker:** No problem. You have your three minutes now.

**Ms. Lovitta F. Foggo:** Mr. Speaker, can you hear me?

**The Speaker:** Yes. Yes, we hear you?

**Ms. Lovitta F. Foggo:** Can you hear me? Yes?

I just want to be associated with the remarks for Ms. Ramsay. Dianne is a very, very good friend. I have also known Davida for all of my life and Dupierre, and [INAUDIBLE] I guess if you will, were colleagues. And the Simmons family itself, they all have suffered a loss [INAUDIBLE]. And so condolences to the entire family.

And I also want to be associated with the remarks that Honourable Member Kim Swan made, and that is—we called her “Misa,” not Aunt Misa. We called her Misa. And she was the wife of well-known Horace Gibbons, who was well known with the Regiment, Mr. Speaker, [INAUDIBLE] a well-known . . .

**The Speaker:** You are fading out, Honourable Member.

**Ms. Lovitta F. Foggo:** Okay. [INAUDIBLE] who was a colleague of my father's, a rising musician. And [IN-

AUDIBLE] she is survived by another sister, who is 97 years old, and a few other siblings. And . . .

**The Speaker:** Honourable Member, I am going to ask you to—you only have 30 seconds left. And I am losing you. Member, you are fading out, so I am going to ask that we just move on to—

Any other Member who wishes to speak?

**Ms. Crystal Caesar:** Yes, Mr. Speaker.

**Ms. Lovitta F. Foggo:** [INAUDIBLE]

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

**Ms. Lovitta F. Foggo:** The St. George's community is right there by her side, holding her hand.

**The Speaker:** Honourable Member.

**Ms. Lovitta F. Foggo:** Yes.

**The Speaker:** We are muting you now.

**Ms. Lovitta F. Foggo:** Thank you, Mr. Speaker.

[Timer chimes]

**he Speaker:** Okay.

Honourable Member Caesar, you have your three minutes.

**Ms. Crystal Caesar:** Yes. Thank you, Mr. Speaker.

This morning I would like to give congratulations to young Ms. Gherdai Hassell, who has an exhibit at the Bermuda National Gallery. Ms. Hassell is at present residing in the UK. However, she is a Bermudian born and raised. And I had the opportunity with myself and a few others of my sorority sisters from the sorority of Delta Sigma Theta Sorority Inc. to hear her first-hand speak on the inspiration and the creation of her exhibit. Mr. Speaker, I must say it brought many of us to tears because it is—it is called *I Am Because You Are*. And it is an ode to ancestors, Bermudian ancestors. And the work is very, very visceral. With that, it just evokes emotion. I would encourage anyone—she had a live on Instagram last night. I would encourage everyone to go and take a look at the live, or the recording of the live so that you can hear her explain the work.

The works themselves are beautiful. They are pictures of former Bermudians whom she has painted by hand and has done an excellent job in capturing their essence. But you have to hear the story around why she also has pictures of people who may not necessarily be Bermudian, but whom we can look at and see that they were of African descent and dressed in maybe Colonial attire. But most of them

are unknown to us and unknown to most. She has given them names. She has given them African names as well. And she has done a lot of research through the Bermuda Archives to bring the whole work together and—

**The Speaker:** Member, you have 50 seconds left on your three minutes.

**Ms. Crystal Caesar:** Okay. Yes. No problem. I am wrapping up.

But to hear her speak about it is—it just does not do it justice just to go and look. So I am sending congratulations to her because it is a very poignant and wonderful work. I want all to go and see it, to support her, to support a Bermudian artist and enjoy what she has done. Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to make a contribution at this time?

No other Member. We can move on.

## 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 is one Government Bill to be introduced today, in the name of the Deputy Premier.

Deputy Premier, would you like to present your Bill now?

**Hon. Walter H. Roban:** Yes, Mr. Speaker.

**The Speaker:** Yes. Go right ahead.

### FIRST READING

#### RENT INCREASES (DOMESTIC PREMISES) CONTROL TEMPORARY AMENDMENT ACT 2021

**Hon. Walter H. Roban:** Good morning to you. Good morning to colleagues and to Bermuda.

I wish to introduce a Government Bill. Mr. Speaker, I am introducing the following Bill for its first reading so that it may be placed on the Order Paper for the next day of meeting: Rent Increases (Domestic Premises) Control Temporary Amendment Act 2021.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Deputy. And that is the only Bill for today to be introduced.

## ORDERS OF THE DAY

**The Speaker:** And again for the clarity of the listening public, we are now on the third day of the annual Budget Debate. As you know, the Budget Debate consists of a total of 56 hours, each day consuming 8 of those hours. And today the matter, the Ministry and department under discussion is the Cabinet Office. Once we are in Committee, the Speaker is out of the chair. And the proceedings in Committee will be in the hands of the Panel of Chairs led by the Deputy Speaker. And I believe it is the Deputy Speaker who will actually be chairing this first session this morning.

With that said, Minister of Finance, would you like to move us into Committee? And then the Deputy Speaker will take control of the House.

**Hon. Curtis L. Dickinson:** Mr. Speaker, I move that the House do now resume in Committee of Supply to consider the Estimates of Revenue and Expenditure for the year 2021/22.

**The Speaker:** Are there any objections?

No objection.

Deputy Speaker.

**Mr. Neville S. Tyrrell:** Mr. Speaker, I have been asked to take the Deputy Speaker's [place] to start off.

**The Speaker:** Okay. Well, just for the sake of the public, this morning's first session in Committee will be chaired by the Honourable Member, Mr. Tyrrell.

Mr. Tyrrell, you have the Chair.

**Mr. Neville S. Tyrrell:** Thank you, Mr. Speaker.

### House in Committee at 10:47 am

*[Mr. Neville S. Tyrrell, Chairman]*

## COMMITTEE OF SUPPLY

### ESTIMATES OF REVENUE AND EXPENDITURE FOR THE YEAR 2021/22

*[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 2021/22.

Under the Cabinet Office, Heads 9, 13, 14, 26, 43, 51, 61, 67, 80 and 94 are now to be debated. I call on the Minister in charge to proceed.

Minister, you have the floor.

## CABINET OFFICE

**Hon. Wayne L. Furbert:** Good morning, Mr. Chairman.

I move the following Heads be now taken under consideration:

- Head 09—Cabinet Office;
- Head 13—Post Office;
- Head 14—Department of Statistics;
- Head 26—Department of Human Resources;
- Head 43—Department of Information and Digital Technologies;
- Head 51—Department of Communications;
- Head 61—Department of Employee and Organisational Development;
- Head 67—Department of Information and Communication Technology;
- Head 80—Project Management; and
- Head 94—Economic Development.

**The Chairman:** Proceed, Minister.

**Hon. Wayne L. Furbert:** Mr. Chairman, just for organisational purposes, I will do Head 13, Head 61, Head 80. The Premier will do Heads 9, 43, 51 and 94.

I will do all of my Heads first; then the Premier will come in and do all of his Heads. We will then take any questions from any Member who would like to ask us any questions.

As we know, eight hours have been allotted. So it is going to be a long day, Mr. Chairman, hence why I have my water in front of me.

*[Crosstalk]*

**Hon. N. H. Cole Simons:** Point of clarification, Mr. Chairman.

**The Chairman:** Yes.

## POINT OF CLARIFICATION

**Hon. N. H. Cole Simons:** Is the Minister saying that after he makes his presentations in regard to Heads 13, 51, 61, 80 we will be able to ask questions then? Or does he want to do it at the very end, after the Premier?

*[Inaudible interjections]*

**Hon. Wayne L. Furbert:** It is after the Premier. So all the Heads will be done . . . my four first, then the Premier's. And then questions will be done after that.

**Hon. N. H. Cole Simons:** May I ask that you consider doing the questions after your presentation? And then we can do the Premier's after his presentation? It is a request.

**Hon. Wayne L. Furbert:** I hear you. But I think right now it would be more appropriate for us to do it all together.

**Hon. N. H. Cole Simons:** Okay then. At least I asked. Thank you.

**Hon. Wayne L. Furbert:** Yes. No problem. And I appreciate that.

Members should also be aware that Head 26, and that is the Department of Human Resources, has been transferred to Head 61, the Department of Employee and Organisational Development. So although it is down, it is zero. So if you check the Budget Book, it is zero for those particular Heads. And the Head 67, as we all know as the Department of Information and Communication Technology, is also zero. And that is because most staff have been moved to the Department of Economic Development, and one person was moved to PIPA. So those heads are a zero. So there is no brief for them. But they are all zero—unless you want to talk about the zero numbers. But they all have now been included in other department Heads.

So, Mr. Chairman, with those few remarks, we will now move on to Head 13.

## HEAD 13—BERMUDA POST OFFICE

**Hon. Wayne L. Furbert:** Members will find this particular Head under pages B-48 to B-52 of the Estimates of Revenue and Expenditure. First of all, Mr. Chairman, I would like to first—and that is why I am wearing yellow and blue this morning because I have a hardworking Permanent Secretary by the name of Colonel Lamb, who has worked tirelessly to put a lot of these things together. And I have jumped over my Bailey's Bay colours and my Somerset colours just to appreciate him this morning. So this would mean the blue and yellow is not because I belong to St. David's but out of respect for my good friend, Colonel Lamb, who I say has worked very hard. He leaves here late at night, and when you come back on a Friday he is still working hard. So, to Colonel Lamb, we appreciate you.

Mr. Chairman, it gives me great pleasure to present the budget for Head 13—Bermuda Post Office, found as I mentioned on pages B-46 to B-52 of the Budget Book. Mr. Chairman, the Bermuda Post Office is governed by the Post Office Act 1900, the Post Office Regulations 1933 and the Post Office

(Departmental Administration) Regulations 1933. Postal services are provided from the General Post Office (also known as the GPO) located on Church Street, the Mail Processing Centre (also known as the BMPC) located at New Venture House on Mill Creek, and currently the seven sub post offices located throughout the Island. These sub post offices are at a great place in Hamilton Parish called Crawl, at Devonshire, Flatts, Mangrove Bay, Southampton, the great St. George's and Warwick. Mr. Chairman, you will no doubt recall that during 2020 the Perot Post Office was converted to a COVID-19 testing site. As a consequence, normal postal operations there, including of the Philatelic Bureau, were transferred to the General Post Office.

Mr. Chairman, the Bermuda Post Office's mission is to connect the public to an accessible, affordable and efficient delivery of products and services. The Bermuda Post Office is a member of the Universal Postal Union (UPU) and works to ensure that it meets its universal service obligation to provide access to affordable communication to all residents of Bermuda. The department aims to deliver mail consistently within four working days and provide the public with other postal services. The Bermuda Post Office also plans to increase its relevance in this digital age and to take advantage of global opportunities in e-commerce. Mr. Chairman, the Bermuda Post Office has set the following as its strategic priorities for 2021/22:

- continue to implement digital solutions for online Customs clearance and home delivery;
- introduce strategic alliances with other e-commerce entities;
- generate additional revenue through the new philatelic website;
- adjust postal rates and legislation; and
- become a customer service centre for other government services.

Mr. Chairman, when we talk about government service centres, the BPO would like to distribute, collect or validate forms and applications for departments, and look at possibly collecting payment for fees and taxes. There is no reason why we could not allow individuals to pay things like dog fees, your licence for a boat or other things at your general post office. And other taxes that may be charged, instead of coming into the city, any department that is interested in use of the BPO infrastructure as an extension of their location, point-of-sale system or online payment portal is available.

So, Mr. Chairman, the Bermuda Post Office is a continued success story in meeting the mandate and challenges to reform its business model to meet the postal needs of people in Bermuda, mandates of the Government in service centres and the continued international compliance with global postal departments for data exchange.

The Bermuda Post Office is nine months into its three-year business plan, which it developed in conjunction with KPMG and accepted in June 2020. The Bermuda Post Office, with the support of the Bermuda Government, started their digital transformation change in August 2019 with a coastal operations solution that consolidated six legacy systems into one system while improving controls, efficiency, effectiveness and equity of the revenue collection and stock management process. In June 2020 the Bermuda Post Office launched their new website [www.bermudapost.bm](http://www.bermudapost.bm) and payment portal, which has the capability for postal account holders, especially PO Box renters, to set their online accounts to make payments using a credit card. Other online postal services will be continually developed and released based on demand by the public for other postal and government online payments.

This digital transformation for new systems has provided a platform needed for the Bermuda Post Office to introduce new revenue-generating initiatives and form strategic alliances with other government departments and external parties on initiatives that are mutually beneficial. These initiatives include utilising the Bermuda Post Office's extensive Island-wide network to enhance the revenue-collection process governmentwide, promoting e-commerce shopping, improving the customs declaration process and expanding courier service for package delivery.

Mr. Chairman, the Bermuda Post Office has also kept pace internationally in meeting and achieving UPU's mandate for all postal operators to become e-commerce compliant by January 1, 2020. The Bermuda Post Office's global compliance will provide a platform for the provision of e-postal products and e-government services in the future. The Bermuda Post Office recognises that to remain relevant it must generate additional revenue. If we look over the years, Mr. Chairman, there has been a significant decline in revenue by the post office. So the Bermuda Post Office's three-year business plan will introduce new products and services including online shopping, improving customer service, developing strategic alliances, and introducing a more effective marketing strategy for new as well as existing products and services.

The Bermuda Post Office comprises the Corporate Services Division and the Operations Division. The Corporate Services Division includes Administration and Finance, Information Technology and Philatelic Services, while the Operations Division is made up of the BMPC [Bermuda Mail Processing Centre], the General Post Office (or the GPO), the Sub Post Offices, and Courier Services.

### **Expenditure Overview**

**Hon. Wayne L. Furbert:** Mr. Chairman, Honourable Members, if you refer to page B-47, you will notice

that the total expenditure is expected to be \$9.194 million. This amount reflects a decrease of \$1,307,000, or 12 per cent, from the 2020/21 budget allocation. Salaries and wages, as you can see, continue to be the largest expenditure, 83 per cent of total expenditure, which is the same as the previous fiscal year. The total estimate for salaries and wages for 2021/22 is \$7,656,000, down from \$8,160,000 in 2020/21 revised total (that is when you add up the salaries and wages, Honourable Mr. Chairman and Honourable Members of Parliament), a decrease of \$503,000, or 7 per cent. This is representative of a drop in the approved establishment of 137 employees in 2020/21 (and you will see that on page B-50) to 133 [employees] in 2021/22.

Operational expenses for the Bermuda Post Office make up the remaining 17 per cent of the expenditure for 2021/22. The major operational expenses include [but are not limited to] in the 2021/22 budget are rent, repairs and maintenance, energy costs, and materials and supplies. These will all be explained in the next paragraphs, Mr. Chairman.

Training costs include estimates for UPU express mail service, international postal system and terminal dues training, as well as training for staff professional certifications. The 2021/22 budget estimate of \$12,000 is a decrease of 45 per cent from the 2020/21 budget amount of \$22,000. Communication expenses estimated at \$73,000 for 2021/22 are up by 3 per cent from the 2020/21 revised total of \$66,000. These expenses include telephone rental equipment, local and overseas calls and GPS for the vans. The estimate increase in communication expense is due to providing our couriers with mobile services and mobile devices to record delivery scans for track-and-trace, in compliance with UPU protocols.

Mr. Chairman, rent is anticipated to decrease in the 2021/22 budget cycle by 23 per cent to \$257,000. The reason for a possible decrease, Mr. Chairman, from \$332,000 in 2020/21 is due to a project initiated with the Works and Engineering Estate Section to re-evaluate the Mail Processing Centre form and function to the organisation's effectiveness. The Mail Processing Centre is currently (as we all know) located in New Venture House on Mill Creek Road and has an annual rental value of \$305,000. Another reason for the decrease, Mr. Chairman, is the post office is currently occupied by the Bermuda Health Department and has an annual rental value of \$27,000 which is paid to the Corporation of Hamilton.

Repairs and maintenance expense totalling \$465,000 for 2021/22 include charges for building repairs, cleaning contracts, cycle and vehicle repairs, and security services. These expenses are estimated to decrease by 7 per cent, or \$32,000, compared to the previous 2020/21 revised budget of \$497,000. Equipment and minor capital totalling \$12,000 for 2020/21, which includes furniture and fixtures, will re-

main the same for 2021/22 due to the preventive maintenance of equipment.

Another comparatively major line item is Materials and Supplies, revised at \$217,000 for 2020/21. It will be down 11 per cent in 2021/22, for a total of \$197,000. This expenditure line includes costs for stamp production, printing, stationery and general food and office supplies. The \$20,000 decrease is due to savings in office supplies as we aim to increase efficiency in processes and stamp production.

Mr. Chairman, going back to the smaller line items, budget transport costs, which include freight charges for the carrier of mail, as well as handling charges, are expected to remain the same in 2021/22 at \$46,000.

Travel costs are expected to decrease from \$12,000 in 2020/21 to \$7,000 in the 2021/22 budget period. Advertising and promotion expenses, estimated at \$64,000, are down from the 2020/21 budget of \$72,000, or 11 per cent. Professional services include annual dues for the UPU Caribbean Postal Union (or CPU) and EMS [Express Mail Services] Co-operative and consultant fees for the Stamp Advisory Committee. The 2021/22 estimate of \$68,000 is a decrease from the 2020/21 budget amount of \$83,000, or 18 per cent.

The budget for energy costs, Mr. Chairman, which includes electricity, gasoline and diesel, for 2020/21 was revised at \$194,000, which was a decrease from the expected \$216,000. This decrease was due to being closed under the COVID-19 stay at home order. The energy cost for 2021/22 is expected to remain at the same level as estimated. Insurance expense remained the same at \$12,000.

Uniform expenses also stay the same at \$60,000. It should be noted that uniforms for industrial staff (BIU) are a negotiated item. Other expenses include World Post Day recognition, Christmas children's picture with Santa and other staff-related expenses (which are retirements), and debt credit card commissions. The 2020/21 revised budget for this line item was \$56,000. A decrease is expected in 2021/22 budget in the amount of \$48,000, or 14 per cent.

Mr. Chairman, that concludes our commentary of the Bermuda Post Office Current Account expenditure.

### Revenue Overview

**Hon. Wayne L. Furbert:** The Bermuda Post Office—and this is a review of the revenue, which you will find on page B-49. The Bermuda Post Office continues to provide postal and other services as mandated by the government and regulated by legislation and [UPU] regulations.

The total revenue estimate for the year 2021/22, which can be found (as I said) on page B-49, is \$3,916,000 [*sic*]. And, Mr. Chairman, I would like to make a correction here. We are estimating that the

revenue will be \$4,516,000—\$4,516,000. Let me make that correction here because we estimating, which has not been budgeted for, which caught my attention this morning, is under revenue source 8312—Courier Service Fees. We expect (and you will hear about) to raise \$600,000 as we will be very soon contracting with [myUS.com](http://myUS.com); it will be [MyBermudaPost.com](http://MyBermudaPost.com). And we plan to—it is anticipated that we will receive about \$600,000 from that store. So instead of being \$3,916,000, it should be \$4,516,000 which will be up from the original for a while. So you can see that the revenue will be climbing.

The Bermuda Post Office also continues to collect a proportionally significant amount of revenue at no cost, on behalf of other government departments. The Bermuda Post Office normally collected approximately \$2 million in previous years; however, due to COVID-19 interruption to normal business activities in 2020/21, the Bermuda Post Office collected fewer revenues for government departments. In 2020/21, the Bermuda Post Office took in \$721,500 which is less than the 2019/20 previous year at \$2,353,000. This amount is broken down, Mr. Chairman, as follows: HM Customs with approximately—

**Hon. N. H. Cole Simons:** Just for clarity, can you tell us where you are, Minister?

**Hon. Wayne L. Furbert:** I am on page B-47, talking about . . . sorry. I am on page B-49, Honourable Member.

**Hon. N. H. Cole Simons:** Okay.

**Hon. Wayne L. Furbert:** This is the revenue summary.

Are we there?

**The Chairman:** Opposition Leader, are you okay?

**Hon. Wayne L. Furbert:** I am sorry; what was that?

**The Chairman:** No. I was asking the Opposition Leader, is he following? Are you okay?

**Hon. Wayne L. Furbert:** I am on page B-49, Honourable Member.

**Hon. N. H. Cole Simons:** And which line item?

**Hon. Wayne L. Furbert:** Hold on.

[Pause]

**The Chairman:** It is at [revenue source] 8312, Minister.

**Hon. Wayne L. Furbert:** Hold on, hold on. Let me get that for you. I believe I can correct it. I will have one of

my colleagues to check this out. But I think this—I mentioned that the Bermuda Post Office needs to collect a significant amount of revenue at no cost on behalf of other government departments. But I do not think it may be actually in here accounted for. But I will get that verified for you, Honourable Member. Do you follow me? So it may show up in another department, but this is money I was tracking on behalf of them. So I will verify that for you.

**Hon. N. H. Cole Simons:** Thank you.

**Hon. Wayne L. Furbert:** If you want me to, I can skip over that part until we actually verify it.

**Hon. N. H. Cole Simons:** Keep going.

**Hon. Wayne L. Furbert:** Okay. So the amounts broken down are as follows: HM Customs, approximately \$330,000, or 64 per cent. Yes. So what you will see, Honourable Member, as you know when you come to the post office and you have got to pay custom duties—

**Hon. N. H. Cole Simons:** Yes.

**Hon. Wayne L. Furbert:** So what they are saying is, *This is what we have collected on the behalf . . .* So it should be accounted for somewhere in the actual—or being accounted for under the revenue section under Customs. But we just collect on their behalf.

**An Hon. Member:** It is right here.

**Hon. Wayne L. Furbert:** I could let you know the information, but if not, I can continue to go on. Is that okay with you?

**Hon. N. H. Cole Simons:** Yes, thank you.

**Hon. Wayne L. Furbert:** Okay. So at Customs, I said they collected \$333,000, or a 64 per cent decrease from the period 2019/20, and \$917,000—that is what the previous year was. The Department of Public Transportation, 2020/21, approximately \$139,000, and I am sure this has to do with the bus passes, compared to \$790,000 they collect on their behalf—the Department of Education, approximately \$210,000, and the Department of Environmental Protection of \$39,500.

Mr. Chairman, these amounts are not included in the revenue figures in the budget estimates for the Bermuda Post Office, but are recognised in their respective department budget estimates.

[Crosstalk]

**Hon. Wayne L. Furbert:** But we just want to let you know what we have collected on their behalf.

*[Crosstalk]*

**Hon. Wayne L. Furbert:** The role of Bermuda Post Office in this context and the Bermuda Post Office opportunity increased governmentwide efficiency—this is for—

(Member, can you turn off your microphone there? Thank you.)

The role of the Bermuda Post Office in this context, the Bermuda Post Office opportunity to increase governmentwide efficiencies is therefore an area of great opportunity. As indicated in the previous Throne Speech, the Government plans to apply a shared server model that will transform existing post offices into customer service centres in the collection of other government licencing, payments and other public services. The Bermuda Post Office completed its website phase in June 2020 with a payment portal designed to on board other departments' online payment solutions where needed in the 2021/22 fiscal year.

Mr. Chairman, the main revenue sources of the Bermuda Post Office are Frankpost (or metred sales), bulk mail, post office box rentals, terminal dues revenue and stamp sales. Frankpost, or metred sales, are budgeted for 2021/22 at \$750,000. And you will see that under revenue source 8629. This revenue generator has declined in previous years with the withdrawal of services to Bermuda by the previous vendors. However, Frankpost is expected to increase with a new metre vendor FRAMA (F-R-A-M-A), distributed locally by A. F. Smith, launched collaboratively with the Post Office at the beginning of 2020. Frankpost is the most efficient way for small-to-large businesses to apply postage to letter mail and packages. Bulk mail budgeted revenue for 2021/22 is \$777,000, and you will see that on page B-49 at revenue source 8641.

Traditional mail volumes from business mailers have been steadily declining over the years due to other communication methods for bills, statements and correspondence. As you know, many times we receive our bills now through email. So [regular mail] has been decreasing over time. Business mailers are finding advantages in using the post office to market directly to customers as one of the cheapest local alternatives over other traditional and electronic media. They reached 30,000 residences, businesses and post box holders. The value of offering reduced rates and having a larger scale in circulation for flyer mail has offset the declines in traditional letter mail revenue.

If you will see on page B-49, and that is source number 8611, Philatelic Sales budget for 2021/22 is—hold on.

*[Pause]*

**Hon. Wayne L. Furbert:** This seems like a misprint here, too. Hold on. [It is] \$86,000—that looks like an error there. I will check it out with my colleagues also.

Work is currently being completed to launch—

**Hon. N. H. Cole Simons:** Hold on, hold on, Minister. So which line are you questioning?

**The Chairman:** Let me point out, this—

*[Crosstalk]*

**Hon. Wayne L. Furbert:** It should have been Philatelic Sales. This is page B-609, B-611 *[sic]*. And you add also—sorry. Line item 8613, 8609 and 8611 (that is a grouping there) as up to the 86. Do you follow?

**Hon. N. H. Cole Simons:** Yes.

**Hon. Wayne L. Furbert:** 45, 31 and 10. That is the total there.

**Hon. N. H. Cole Simons:** Okay.

**Hon. Wayne L. Furbert:** Okay?

**Hon. N. H. Cole Simons:** Yes.

**The Chairman:** MP Simons, in the future I ask that you would acknowledge the Chair. That is all I am asking.

**Hon. Wayne L. Furbert:** Work is currently being completed to align the website where the Bermuda Post Office can drive sales to increase the standing order customer base, as well as promote other retail and philatelic items locally and internationally.

Direct stamp sales revised revenue for 2020/21 was \$629,000 and expected to decrease in 2021/22 to \$589,000. And you will see that, Honourable Member, on revenue source 8629 at \$589,000. So it is a decrease of \$41,000 compared to the budgeted amount in 2020/21. The revenue decrease is in line with the annual decline in letter mail volume by 7 per cent. The Bermuda Post Office annual volume of letter mail has seen a steady decrease since volume records have been kept. The year 2020, with COVID-19, is currently still being tallied, and those numbers are anticipated to show a huge decline due to the business interruption.

The last reported annual volume of all products was in 2019 at \$5,700,000 pieces. As a going example of the decline in traditional postal products since 2007, when at that time 15 million pieces of mail were being delivered. So there is a huge decline from 2007 of 15 million now down to 5 million.

To grow the Bermuda Post Office, the business model must change from focusing on traditional letter mail products to focusing on the global growth of

e-commerce packages. With this current three-year business plan, as mentioned [the Bermuda Post Office] is moving in that direction and will need support from all stakeholders to remain a relevant service provider in a competitive package market. Mr. Chairman, post office box rental fee revenue is expected to remain relatively stable at \$589,000 for 2021/22 as compared to the revised 2020/21 revenue of \$596,000. And you will find that under revenue source, again, page B-49, revenue source 8759.

Terminal dues are expected to remain at \$659,000 as international letter mail volumes decline and international e-commerce volume of packages increases. Customs declaration fees charged to the customer [who is] collecting packages at the Bermuda Post Office counters—the post office collects and remits the customs duty and customs declaration form for customers. In 2021/22 this added-value service is estimated at \$203,000. And you will see that again at page B-49 at revenue source 8312.09.

The projected decrease is attributed to the waiving of the \$5.00 service fee at the counter under certain conditions. As you may recall, Honourable Members, the post office was collecting \$5.00 from individuals for filling out . . . even when the individual filled out their own form. We did not think that was appropriate. When our citizens fill out their own form, they should not be charged that \$5.00; hence we removed it from the fee.

There are some more revenue items, line items that include licences, permit fees and packaging supplies. None of these are expected to experience significant movement compared to 2020/21. The total value of these items is 3 per cent of the total revenue, or approximately \$117,000. And that is the rest of those line items that we have not mentioned. Again, you will see those in [revenue source] 8312 on page B-49. That is all of item 8312, with the subheads of 8312.02, 8312.10, 8312.11, 8312.13. Also including revenue source 8550.02, and there are all of those little small items you can see from there.

**The Chairman:** Okay.

### Capital Expenditure

**Hon. Wayne L. Furbert:** The Bermuda Post Office capital expenditure budget for 2021/22 can be found on [page] C-9 of the Capital Acquisition Estimates, Schedule C. The Bermuda Post Office has been allocated an amount of \$44,000 for the purchase of new delivery cycles.

**The Chairman:** Continue.

**Hon. Wayne L. Furbert:** The post office needs 43 cycles for getting delivery to every residence and business on the Island. (Someone has got their microphone on.) The Bermuda Post Office has an age-

ing fleet with some cycles over 10 years old. This ageing fleet is more expensive to maintain, and this capital expenditure will help reduce overall maintenance costs as the older cycles are replaced. The capital expenditure compares to a revised 2020/21 allocation of \$83,000 and has a decrease of \$39,000, or 53 per cent.

Major policy changes are coming. There have been no major policy changes in the Bermuda Post Office in 2020/21, and none are expected in 2021/22.

The Universal Postal Union's Universal Service Obligation [USO] recommends to member countries to provide an accessible service to all users and a basic postal service at all points within its territory at affordable prices. Member countries shall set forth in the framework of their national postal legislation or by other customary means the *scope of the postal service offered and a requirement for quality and affordable prices, taking into account both the needs of the population and their national conditions.*

With the Bermuda Post Office's three-year business plan, the question is asked for the consideration of the USO, What is accessible, affordable postal service for all users in Bermuda? The Bermuda Post Office in consultation with all stakeholders must periodically define what the future for the post office looks like, with declining letter mail volume and increased growth in the highly competitive e-commerce market.

### Plans for the Upcoming Year

**Hon. Wayne L. Furbert:** Mr. Chairman, as part of the Bermuda Post Office's strategic objective to increase revenue with e-commerce purchases and logistics, the department has recently concluded contract negotiations (or will [shortly]) for a public-private partnership with [www.myUS.com](http://www.myUS.com) for a white-label online shopping platform, [www.MyBermudaPost.com](http://www.MyBermudaPost.com). This service will allow our customers to purchase products in the US and have them delivered locally to the Bermuda Post Office's logistic network.

The anticipated going-live date is mid-April 2021 once development and co-branding are complete on the new website interface. We will also be looking to increase revenue by extending our courier service and delivery of [www.MyBermudaPost.com](http://www.MyBermudaPost.com) [website's] incoming packages, as well as using other logistic networks to provide local entrepreneurs and businesses an affordable local last-mile logistic service. So that is where \$600,000 of additional revenue will come from.

Our EMS [Express Mail Service] and parcels products will be marketed better to increase knowledge of these products both internally and in the public domain. We will also enhance our service levels to improve our global EMS ranking, increase our pay-for-performance EMS revenue and maximise the bonuses for our parcels delivery. The Bermuda Post

Office will also be establishing better branding and standards for customer service, inclusive of training and the measurements of outcomes. To enhance the government's efficiency with the public, the Bermuda Post Office will be actively working with other government departments to enhance their collection of payments, forms and applications at our customer counters or online.

With the investment for the improved accounting and technical infrastructure developed by the Bermuda Post Office, these advantages are not only available in terms of government departments, but can also be provided to entrepreneurs and businesses as an affordable remittance processing solution via the post office.

Mr. Chairman, the Bermuda Post Office as of January 1, 2021, is compliant with the UPU mandate to accept and send ITMATT data (or data that are used to communicate the attribute information about postal items). This will increase efficiency in the customs declaration process, as well as enhance security and accountability concerning mail items. This initiative will first benefit inward packages with the release of the Bermuda Post Office parcel management system expected to go live by the end of this month here.

The parcel management system will allow customers of incoming packages to receive an email or SMS from the Bermuda Post Office asking if they would like to provide an electronic invoice for the pre-clearance of their goods, starting with express mail, followed by parcels in mid-summer, and registered and small dutiable packages later in the year 2021. Customers can choose their delivery option by selecting the address on the package, changing to another address or any other address, or collection from any sub post office of their choice if delivery is not feasible.

Once the item arrives in Bermuda, the customer will receive an email, SMS asking them to pay their duty online within a certain number of business days. Once the duty is paid, the package will be delivered to the location of choice. If the customer wishes to do so, they can ignore the SMS or email and the package will go to their neighbourhood sub post office, and a collection notice will be delivered as per normal. The service fee for the online clearance and collection of duty will be set at \$10 (non-waivable). Delivery to any physical address in Bermuda is free.

The Bermuda Post Office's conservative estimates for the continued growth in e-commerce practice, based on the business plan, is 8 per cent per year based on the 2019 inward package volumes received. With the introduction of [www.MyBermudaPost.com](http://www.MyBermudaPost.com), [and the] natural growth in UPU's postal network for e-commerce packages and creative marketing, it is estimated that the Bermuda Post Office will receive (and as I mentioned before) \$600,000 in new revenue if there is a 55 per cent

demand for online customs declarations and home deliveries.

So, based on the estimate of e-commerce package growth, it is budgeted for 2021 roughly \$600,000 in revenue; in 2022 additional revenue should be about \$621,000; and in 2023 it should be \$671,000. These are very conservative numbers. It is our purpose and mandate to provide a better service than other courier services, and at the end of the day make the price cheaper for Bermudians to actually bring [parcels] in. And turnaround will hopefully be as fast or even faster. That is the mandate I have asked them to deliver for our people in Bermuda.

Mr. Chairman, to continue to have an online presence, the Bermuda Post Office website is scheduled for launch in May 2021. The Philatelic website will allow regular account-holders and one-off guests to order stamp collections (and I am sure the Honourable Member Famous, who sits on that committee, is very proud to see this), manage standing orders and manage top-ups to their accounts for stamp releases of their choice.

The Bermuda Post Office intends to use the advantage of the Philatelic website as an online retail store where customers can order large quantities of stamps, packing materials and other retail items for local delivery. The Bermuda Post Office also plans to have five stamp issues and two presentation packs in 2021/22. Our stamp programme will include:

- 100<sup>th</sup> Anniversary Garden Club of Bermuda, April 1, 2021;
- Bermuda Greetings, September 30, 2021;
- Sand Sculptures, the date to be determined; and
- New Definitive, again to be determined with approval of probably rate increases for those ones.

Additional enhancements in IT include introducing touchscreen kiosks at the General Post Office and all sub post offices, and introducing public Wi-Fi at the General Post Office. Both of these initiatives are expected to improve the customer shopping experience and increase foot traffic, thereby increasing revenue. To increase accuracy over the payment and recording process, we will implement a credit card machine integration into the new postal solution.

Mr. Chairman, additional legislative amendments to the Post Office Act 1900, Post Office Regulations 1933, and the Post Office (Departmental Administration) Regulations 1933 are contemplated for 2021/22. These amendments will facilitate increased logistic and online service, increase efficiency in home delivery of packages, and maintain a relevant position due to local and global inflationary increases. We are talking about dues and the cost of providing services. It is anticipated the legislative changes may be made in August 2021 and are likely to include a proposal for rate changes.

Demand on government departments in this year's budget to collect revenue, improve service and to be more efficient with fewer resources put the Bermuda Post Office . . . So as I said, there will be made possible rate changes in there.

The Bermuda Post Office has not had a rate change since 2015 as inflation and the cost of providing service locally and internationally have increased, so the revenues will be less in 2021/22 without a substantial increase to mitigate a growing deficit within that department. The Post Office provides services for free, while other post offices globally are charging for similar services. The Bermuda Post Office is waiving fees when competitors are charging triple for the same service, plus additional fees.

The Bermuda Post Office is a service provider and one of the few government services that compete for customers. The customers have choices, and the Post Office can no longer devalue its services after considerable investments have been made in their business plan, technology and infrastructure to make them more competitive.

As I mentioned, Mr. Chairman, we are proud of the advances made by the Bermuda Post Office, which is nine months into this three-year business plan and has accomplished several improvements with minimal resources. In March and April 2021, the Bermuda Post Office will be updating the organisational structure with Management Consultant Services to better reflect the vision and future needs of the department at a management level.

Job descriptions will be updated and submitted for review and regrading. A training plan for the department will also be developed. The process will be tied in with the development of a succession plan and an internal and external communications plan. The department is also committed to the full participation of its hearing-impaired employees through the use of an interpreter for staff meetings.

Mr. Chairman, the objectives, goals and projects set by the Bermuda Post Office for 2021/22 will move it toward its vision of being a more innovative, customer-focused and sustainable postal service. The outcome will be that Bermuda will be moving closer to the implementation of a modern postal service that meets the needs of residents whilst at the same time being sustainable and financially viable.

Mr. Chairman, I hasten to add my commendation to all of the hard-working and dedicated staff of the Post Office, who [have been] ably led by Acting Postmasters General over the last three years, and there have been several in that position.

That ends the actual [presentation] for Head 13.

## HEAD 14—DEPARTMENT OF STATISTICS

**Hon. Wayne L. Furbert:** Mr. Chairman, Members can find this on page B-53, the Department of Statistics.

Mr. Chairman, it gives me great pleasure to present the budget for Head 14, the Department of Statistics, found on pages B-53 to B-55 of the Budget Book.

### Mission

**Hon. Wayne L. Furbert:** The mission is to produce and provide statistical information for data-driven decision-making for Bermuda.

The department seeks to fulfil its mandate by delivering quality data that align with international standards and best practices in order to facilitate a culture of evidence-based decision-making for policies and programmes.

As such, the Department of Statistics objectives are as follows:

- Improve ease of accessibility to statistical data and information for the people of Bermuda through innovative digital tools using leading data techniques;
- Adopt current international statistical methodologies, standards and best practices in the collection, compilation and production of statistics;
- Operate a transparent and citizen-centric department by improving the understanding and use of statistical data and information; and
- Develop talent needed to sustain a high-performing department.

### Expenditure Overview

**Hon. Wayne L. Furbert:** Mr. Chairman, we will look at the expenditure overview first. The Members can find it on page B-53. Mr. Chairman, the total current expenditure of the Department of Statistics (found on page B-53) is estimated to be \$2,234,000 for fiscal year 2021/22. This budget is \$259,000 less than the 2020/21 budget allocation, reflecting a 10 per cent decrease.

The Subjective Analysis of Current Account Estimates of the Department of Statistics is found on page B-54. Please allow me to highlight the material object code increases and decreases. You will find that on page B-54.

Mr. Chairman, the budget for Salaries, line item 1, decreased by \$192,000, or 10 per cent. This change is due to the savings resulting from defunding [temporarily] two vacant permanent positions in order to meet the [austerity] measures set out in the Budget by the Government.

Mr. Chairman, Training, line item 4. Due to other budget cuts there has been a decrease of \$32,000, or 76 per cent in the funds allocated for staff training and development to build statistical capacity. In the interim staff are encouraged to take advantage of the opportunity to participate in free virtual conferences and training sessions that are being offered by the Caribbean Community and other statistical organi-

sations. So there will still be training being done, but it will be done in a different format and it will be free for the government.

Travel, line item 5, decreased by \$17,000, or 68 per cent, again as a result of the measures taken by the Government. And as you know, most government departments are not traveling during this time. So we do not anticipate much traveling at all within the government. So that is a decrease there.

Advertising and Promotion, line item 7, decreased by \$10,000. Originally the amount was \$17,000, [it is now] down to \$7,000. Again, we have had to do cost-cutting within that department.

Rental, line item 9, is down by \$17,000, or 10 per cent. This decrease is attributed directly to a renegotiated rental lease with the landlord resulting in a lower rental price for office accommodation until August the 31<sup>st</sup>, 2023.

Repair and Maintenance increased by \$16,000, or 31 per cent. This increased expenditure is required to maintain heightened cleaning protocols during the Coronavirus 2019 pandemic.

Energy, Mr. Chairman, decreased by \$10,000, or 17 per cent. As anticipated, electricity expenditure is expected to fall as some staff, as you know, a lot of the staff are working remotely from—are at home. Hence a lot of electricity costs have fallen in the department.

The Department of Statistics has no capital expenditure for year 2021/22.

Manpower has decreased in 2021/22—let me read that properly. There are a total of 21 full-time equivalents (FTES) in 2021/22, which is a decline. So that should be changed. You will see there, colleagues, on page B-54, you will it is 22; that should be 21. So full-time equivalents should be 21, and it decreases by 2.

The staff reduction is a result again of the defunding of two vacant permanent positions in order to meet the department's budget expenses. Recruitment is currently underway for an administrative officer.

So I again refer you to page B-54 where instead of reading 22, it should be 21, down by 2.

### Output Measures

**Hon. Wayne L. Furbert:** The Department of Statistics Output Measures are found on page B-55. This is what we achieved in 2019/20:

Business unit 24015—Administration. Indicator: Number of documents on the website allow easier and wider accessibility of publications and reduces printing costs. Target 2019/20, at least 40 documents were posted during the year. Actual outcome 2019/20, we achieved 60 documents posted during the year.

Business unit 24020—Core Statistics and Publications. Indicator (1): Timely completion of statistics that measure gross retail sales performance in the retail sector. Target, 2019/20 Retail Sales Index com-

pleted six weeks after reference month. Actual Outcome 2019/20 was achieved. Indicator (2): Timely completion of statistics measuring the rate of increase in the price of goods and services in the economy. Target 2019/20, Consumer Price Index completed five weeks after reference month. Actual Outcome was achieved.

I am sure Honourable Members can read all the rest of the other performance measures there.

Mr. Chairman, we have made some changes to our 2020/21 performance measure indicators under each business unit to provide objective evidence of the degree to which a performance result is occurring over time. I just want to highlight one of them.

Under business unit 24015 [Administration], improve accessibility to statistical data through innovative digital tools. A target of 2020/21, grow social media presence by 50 per cent. Staff participation in recognised training in statistical methodologies and best practices. [Target], three staff members for 2020/21.

### Major Achievements

**Hon. Wayne L. Furbert:** Mr. Chairman, under major achievements [are the following]:

1. Published a series of 29 maps which displayed 2016 Population and Housing Census data at the census district and parish level;

2. Produced an ad hoc publication entitled *2016 Population and Housing Census Education Brief* focusing on the academic attainment of the population 25-to-64 years, as they are old enough to obtain a university degree and young enough to work; and

3. The department published its first Gross Domestic Product (GDP) Rebased publication, which reflected changes to the industry structure and levels of the annual GDP estimates. These changes are the result of an updated Supply and Use Table for Bermuda as part of the implementation of the 2008 System of National Accounts, which serves as the international statistical standard for the production of statistics on GDP.

### Plans for the Upcoming Year

**Hon. Wayne L. Furbert:** Mr. Chairman, so that Members can be aware, the department will produce the following core publications in the upcoming year:

- monthly—Retail Sales Index and Consumer Price Index will continue;
- quarterly—Balance of Payments and International Investment Position, and Gross Domestic Product by Expenditure;
- semi-annually—Labour Force Survey Reports;
- annually—
  - Bermuda Digest of Statistics;

- Bermuda Job Market Employment Briefs;
- Employment Survey Tabulation Set;
- Annual Gross Domestic Product;
- Information, Communication and Technology Profile;
- Environmental Statistics Compendium;
- Tourism Satellite Account Report.

Mr. Chairman, the department will conduct the following surveys:

- Monthly Retail Sales Survey;
- Monthly Consumer Price Index Survey;
- Quarterly Hotel Gross Receipts Survey;
- Quarterly Construction Survey;
- Balance of Payments and International Investment Position;
- Semi-annual Labour Force Survey;
- Annual Employment Survey; and
- Annual Economic Activity Survey.

Mr. Chairman, the department conducts ad hoc surveys, provides survey samples and undertakes in-depth research and analysis of data. In addition, the department provides statistical advice and professional consultancy in the collection, processing and analysis of data for government departments.

Mr. Chairman, the department will engage in activities such as processing and providing trade statistics, fulfilling statistical data requests from local and international organisations, and making presentations to internal and external stakeholders. Mr. Chairman, it is anticipated that the Department of Statistics will undergo a comprehensive review by the Management Consultant Section of the Cabinet Office as we seek to maximise efficiency in terms of the use of technology, staffing and service delivery.

Mr. Chairman, let me take this opportunity to acknowledge and thank all of the hardworking staff of the Department of Statistics led by the Director, Ms. Melinda Williams, and her team of statisticians and support staff for their continued commitment. I would especially like to thank them again, Mr. Chairman, because they are a hard-working team. And any time that we need information or verifications on information, they are always willing to come to our assistance.

This concludes my budget presentation for Head 14. Mr. Chairman, I will now go to Head 61.

**The Chairman:** Proceed, Minister.

## HEAD 61— EMPLOYEE AND ORGANISATIONAL DEVELOPMENT DEPARTMENT

**Hon. Wayne L. Furbert:** And that you will find this on pages B-69 to B-72 of the Budget Book.

The Employee and Organisational Development Department's mission is to optimise talent and transform the organisation. Mr. Chairman, the total

current expenditure is estimated to be \$6,897,000 for 2021/22, which represents an increase of \$5,225,000, or 313 per cent, compared to 2020/21. This increase is attributed to costs associated with the staff and posts under the Department of Human Resources, and eight satellite offices that will be transitioned to the Department of Employee and Organisational Development.

Mr. Chairman, the subjective analysis for the department is on page B-70 of the Estimates Book. Please allow me to highlight the material object code increase. Page B-70 is where I am, Mr. Chairman.

**The Chairman:** I am with you.

**Hon. Wayne L. Furbert:** Salaries are estimated at \$5,785,000, which represents approximately a 172 per cent increase, or . . . (Sorry. Let me read that again.) It represents 172 per cent, or \$3,660,000 compared to the 2020/21 budget of \$1.9 million. As just stated, this increase is due to cover salaries for staff who were transitioned to the department and the associated vacant posts in the satellite offices.

Training, this is estimated at \$162,000 in comparison to \$6,000 for the current estimate. That was for the year 2020/21, which was at \$6,000 and now it is estimated to be at \$162,000 for 2021/22. This represents funding to cover expenses in relation to the annual public service bursary scheme and the professional and technical training scheme, the public service bursary awards scheme which awards bursaries to Bermudians who are enrolled in courses of study at a university, college or other training institution in order to acquire professional or technical qualification for a post-demand critical and/or difficult to fill.

The professional and technical training scheme provides Bermudians with the opportunity to obtain the qualifications and work-related experiences which enable them to fill professional and technical positions within the public service. The increase also includes funds allocated for training for staff that was previously budgeted under the Department of Human Resources and some of the staff in the satellite offices.

Communications. The estimate increased from \$2,000 to \$16,000, or 700 per cent. Those numbers that you see, Mr. Chairman, sound large. But as I mentioned, most of this has come from within other human resources [units] and also six or eight other satellite offices, attributed funds transferred from the Department of Human Resources to cover associated operational expenses such as local and overseas calls from landlines and monthly mobile charges.

Professional Services goes from \$5,000 to \$627,000, an increase of \$622,000, or—that is a large increase, Mr. Chairman. That is 12,040 per cent. Again, it sounds large, but it is not directly impacting, having been coming from other departments.

There are a couple of costs associated with such areas as the annual Employee Assistance Programme, being consultant fees for local and overseas facilitators to provide services in relation to tele-management and legal fees associated with work undertaken by the Public Service Commission. Again, such costs were previously funded under the Department of Human Resources.

Repairs and Maintenance went in 2020/21 from \$78,000 to \$373,000, or an increase of \$295,000. Materials and Supplies go from \$35,000 to \$85,000 for 2021/22, or an increase of \$50,000, or a percentage change of 143 per cent. Equipment, major/minor capital goes from zero to \$9,000 for 2021/22, or an increase of \$9,000. Other expenses go from zero to \$15,000, or a \$15,000 increase for 2021/22.

Receipts credited to programmes, this is estimated at \$444,000 in comparison to the current estimate of \$579,000. This is attributable to the estimated recharges back to the Public Service Superannuation, Ministers and Members of the Legislature Pensions and Government Employee Health Insurance Funds. These funds cover the administrative costs incurred by the Compensation and Benefits business units.

Manpower. As you can see on page B-70, the Manpower estimate for the department is outlined on—is 60 full-time equivalents in comparison to the original estimate of 21 for fiscal year 2020/21. This rise is due to the amalgamation of the other departments [of] human resource.

Mr. Chairman, Capital Acquisition for the department is on page C-10 of the Estimates Book. The estimated \$22,000 is to cover the replacement of outdated computer equipment.

Performance Measures. Mr. Chairman, the performance measures developed for the Department of Employee and Organisational Development are found on page B-71. As the department was not fully amalgamated during 2020/21, I will expand upon the original and revised 2020/21 forecast for the Management Consultant Services and compensation. Mr. Chairman, a number of significant change initiatives are in channel in accordance with the Government reform strategic planning framework.

Many of these initiatives affect the entire organisation and require the engagement and participation at the Ministry and department levels. Therefore, to track the delivery and implementation of the various strategic initiatives, we selected a cloud-based solution that is [INAUDIBLE] inclusive of 100 users with a view of holding up the platform across the public service. In the first instance we are using the platform to monitor and report on the implementation of the government reform initiative; however, as more strategic change initiatives that are occurring across the government are entered into the system, this will increasingly establish a systematic approach to manage and monitor their implementation. Therefore, by using one system we will provide departments with the ability to

report progress, as well as provide executive management with the ability to monitor implementation, thus enhancing one of the Government's commitments for accountability.

Mr. Chairman, strategy and performance underpin the delivery of government reform. Honourable Members may recall that during the last fiscal year strategic workshops were focused on aligning department and Ministry missions with the Government's vision, and operating models were completed. These workshops established a foundation for the performance measurement workshops with ministries and departments. While additional work with ministries and departments under the direction of the Management Consultant Services [MCS], the MSC team were undertaken in 2020 to ensure operations are aligned with the Government's vision due to the impact of COVID-19.

Management Consultant Services also conducted 12 workshops to assist departments with recovery strategies and process improvements. Therefore, Honourable Members should have taken note of the significant shift and continuous improvement of the Performance Measures Section in the 2021/22 Estimates of Revenue and Expenditure. Improvement of the performance measures will continue, and there was specific focus on outcomes which demonstrate and are directly related to the creation of public value.

Mr. Chairman, the Management Consultant Services team continues their work in assisting the Government to solve complex operational problems with a view to improving organisational performance. One of the core functions involves the conduct of operational organisational needs analysis across government. During fiscal year 2020/21 in excess of 10 targeted reviews were completed. The objective of this work is to ensure that ministries and departments are functioning in an efficient (including cost-efficient) and effective manner with the overarching objective of achieving greater public value. It is expected that in 2021/22 there will be 10 more targeted reviews conducted.

Mr. Chairman, the Compensation Section has been able to review and identify where the duplication of effort takes place in the onboarding and payroll processes. After review of the processes, work commenced on the programming needed to establish free-flowing information between the Human Resource Information Management (HRIM) system and EnterpriseOne (E1) version 9.2. The integration of these systems will ultimately improve the onboarding experience while at the same time reduce the administrative burden.

Some of the achievements for the current year: The people component of the Government reform initiative aims to realise the aspirational objective of the public service being an employer of choice, where talented individuals are rewarded fairly and valued over the long term into retirement for their con-

tributions, to enhance the lives of Bermudians. This has been achieved through our focus on people capabilities and benefits. The creation of the Department of Employee and Organisational Development serves to align HR strategy, policy and function across the public service.

A critical enabler for the success of the department is the harmonisation of human resources, policies and collective bargaining agreements. One such harmonisation initiative is the determination of a compensation strategy. The approach and process for determining compensation for the staff across the public service is driven by the job evaluation policies and procedures. Four posts represented by the BPSU [Bermuda Public Services Union] have set principles, and seven collective bargaining agreements (CBAs) arranged their ability in the agreements to result in different approaches to base pay and benefits. This results in perceived inequity across the service, not having a unified well-articulated strategy that should drive the approach, also have implication under the government's collective bargaining process and its ability to attract and retain its talent pool.

The desired outcome is a sustainable and implementable strategy which aims to ensure an equitable and defensible compensation mechanism that remunerates employees fairly, and for job value to be fair, transparent, justifiable and cost-efficient, standardised and/or provide for a standardised outcome across all collective bargaining units derived from a result or in the culture, and be aligned with the Government's vision and goals.

As a result of the scope, level of complexity and range of stakeholders, the development of a holistic compensation strategy is an immense project. The project will therefore be conducted using a phased, sequential approach. That is, phase 1, current state analysis; phase 2, strategy development; phase 3, implementation; and phase 4, review of the current job evaluation system. Phase 1 is currently in process.

The Management Consulting Services, as the designated project management office from the government reform initiative, continues to assist the Deputy Head of the Public Service with mobilising the project with much success. Mr. Chairman, in accordance with the priorities, several task force groups are now actively engaged in delivering future-forward initiatives under the operating component known as "People," which are government employees, and "Platform," which includes government IT infrastructure.

The Project Management Office is overseeing the delivery of work related to tele-management. A pilot leadership programme was recently launched and will continue with the intent of ensuring the succession planning for the leadership positions in the Government of Bermuda. A systemwide performance appraisal process across all government categories is in progress using a phased implementation approach.

A rewards programme and of course implementation of the transition to the new model and structure for the delivery of HR services across government is advancing with funding for all HR satellite staff coming under the remit of the Department of Employee and Organisational Development effective the 1<sup>st</sup> of April 2021.

It is important to note that given the budgetary constraints that are largely attributed to the impact of the COVID-19 pandemic; we do not have the funding to physically locate all of the employees in one location. Therefore, this will be delayed pending the availability of funds; however, it is not the intent to have this significantly impact progressing of the new model and structure.

On the IT side, the Project Management Office is overseeing the delivery of work related to the Government's 2023 paperless initiative, which has commenced in earnest through the production of digital forms, thus providing the public with the ability to complete forms online instead of standing in line. To date approximately 30 forms have been digitalised. Further work is in progress. The Project Management Office, working closely with the IDT [Department of Information and Digital Technologies] to establish a framework to rationalise all telephone lines under one universal modernised platform, thus creating greater efficiency and reducing costs. This will ultimately eliminate the need for departments to have separate budget negotiations for telecommunications and will potentially save the government in the range of \$1 million annually.

Further, the Project Management Office let out a systemwide training for the alignment of fiscal management and strategic management through a ZBB [or zero-based budget] process and managed a project to reduce an electronic data-collection instrument to assess the value of government services by business unit. The electronic tool was used throughout government to gather the necessary assessment data as part of the zero-based budgeting data input process. Based on the quality of the data that were initially gathered, the decision was made to refine and modify the electronic tool to improve the data (gathered through the zero-based budgeting process) that were utilised for a second consecutive year. The data are now being analysed and will be used as one of the primary inputs for delivery of the public services plan.

To encourage the government reform strategic framework, the Government will produce a five-year public service plan that requires a review and justification of services provided by government by 2021.

*[Feedback]*

**Ms. Susan E. Jackson:** I am sorry, Mr. Chairman. I have not . . . I am having difficulty following, would the Minister please be able to just let us know where he is in the Budget Book at this point, please?

**An Hon. Member:** What item?

**Ms. Susan E. Jackson:** What item?

**The Chairman:** Minister, can you give us some direction?

**Hon. Wayne L. Furbert:** I am reading over the—right now I am reading from the Upcoming Plans for the department.

**The Chairman:** Well, which department and which head?

**Hon. Wayne L. Furbert:** This is Head . . . Did Ms. Jackson just come on?

**The Chairman:** She must have, yes. So we are on the same Head?

**Hon. Wayne L. Furbert:** Okay. Head 61—Employee and Organisational Development.

**The Chairman:** MP Jackson, are you clear?

*[No audible response]*

**The Chairman:** Continue, Minister.

**Hon. Wayne L. Furbert:** Mr. Chairman, the Management Consulting Services in their capacity as the project management office for the government reform initiative will continue to oversee the implementation process for many of the initiatives that are currently in channel. As previously mentioned, work will continue in the public value assessment. The development of the Public Service Plan is expected to realise a future state when government delivery services are justifiable and add value to society, provide standard service and pricing for the majority of citizens, adapt service for those most in need and potentially adapt prices for the low socioeconomic groups to deliver value to all citizens.

Mr. Chairman, work will commence on phase 2 of the compensation strategy—that is, strategy development. This will comprise research on best practices of compensation and benefits components. The establishment of a project team composed of fair, equitable and competitive practices and policies, strategies and options, and stakeholder consultation.

Mr. Chairman, under the platform IT component of the government reform initiative, the OPM [Office of Project Management] will continue to oversee phase 1 of the 2023 paperless initiative. And in particular there is a plan in place that commenced with the identification of 20 high-volume public-facing departments that will undergo business process review of selected processes. That is, the Management Consulting Services will conduct [and] facilitate in collabora-

tion with the Department of Information and Digital Technologies. The intent is to streamline the process and digitise the forms.

Thus, IT is charged with the responsibility for implementation and [is] where the funding of the paperless component resides.

Phase 2 addresses the intent management and database components for the paperless initiative. The focus of this phase is to ensure that the systems and infrastructure are in place to support the transition to the digitised formats. Concerning digital ID, the goal is to facilitate the design and implementation of a national digital identity framework that provides a more inclusive and efficient national and transnational digital ecosystem that is capable of registering 100 per cent of citizens by 2022. Work on this has also commenced.

Mr. Chairman, during fiscal 2021/22, additional task force groups under the direction of the Project Management Office will be activated and new projects under the government reform initiative will commence. Further, the team will engage senior management across the service in another series of workshops as the Government seeks to build capacity and improve performance management. It is also expected that there will be increased use of the programme and performance management systems across the Government of Bermuda.

Mr. Chairman, under the people component of the programme, the pilot leadership programme's first cohort continues their respective learning paths consisting of live project work designed to support group organisational objectives and individual learning. Ongoing support will be provided to ensure they achieved the objectives set in custom development plans. A talent management strategy will be designed by year-end to support tele-development, sub-session planning, retention and engagement. The Tele-management Services Section will support the organisation by developing succession plans with ministries as needed. This will include partnering with client departments to provide work experience for bursary students having availability during the summer and winter breaks, ensuring posts are available upon completion of sponsored education programmes.

**The Chairman:** Minister. Minister. Let me interrupt you one second. We are close to our normal lunch break. Are you likely to finish this Head before our break?

**Hon. Wayne L. Furbert:** Not quite, Mr. Chairman.

**The Chairman:** Okay. Well, what I will do is at 12:30 I will break in for us to go to lunch. Okay?

**Hon. Wayne L. Furbert:** Yes. Understood.

**The Chairman:** Continue.

**Hon. Wayne L. Furbert:** Yes. The team will also partner with client departments to ensure trainees' transition to subjective posts as expected upon successful completion of training contracts.

Mr. Chairman, the HR Business Partnership Section is responsible for aligning the business objectives for employees and management and designated ministries or departments. The Human Resource Business Partner (HRBP as it is known) serves as a consultant to management on human resources-related issues. This includes working with permanent secretaries, heads of departments and senior managers to align human resources with the delivery of ministries/departments business plans and providing advice and guidance in such areas as performance management, employee services, industrial relations and coaching.

Additionally, the HRBP provides guidance and leadership in the day-to-day HR operations for assigned clients' portfolios, as well as analysis trends and matrices, and proactively collaborates across other areas within the centre of expertise and within the shared service sections to provide programmes and policies for the organisation to meet clients' needs.

Mr. Chairman, the assessment phase of the systemwide performance appraisal process will roll out on the 1<sup>st</sup> of April 2021. Full training live and online will be provided to all offices to ensure the importance of preparing for appraisal discussions. It is understood along with using the system to demonstrate competency and alignment and to record success of achieving objectives since last year.

As the department continues to leverage the Human Resource Information Management System, the probation report process for posts represented by the Bermuda Public Service Union will be automated during the upcoming fiscal year. The automation will enable the organisation to maximise data collection in alliance with the Government's platform objective of achieving 100 per cent paperless process by 2023.

Mr. Chairman, employee wellness continues to be a focus for the Government, particularly in light of the global pandemic. The department continues to implement wellness strategies to impact overall physical and mental health.

Mr. Chairman, I could finish on this part. I may go over about one minute, but let me finish on this part on this Head.

Let me take this opportunity to acknowledge and thank the dedicated and hard-working staff, and in particular the chief Employee and Organisational Development officers, who have commenced work on their amalgamation of the Department of Employee and Organisational Development; the Management Consultant Services, who continue to assist with the transformation of the government through progressing the implementation of the various components of the government reform initiative; and the Compensation

and Benefits Section for the work they undertook during this year.

When the Island was in shelter in place, this group of individuals were amongst those classified as *essential* to ensure that the government payroll continued to be processed in a timely manner. Lastly, I would like to say *welcome* to all of the employees who will be transitioning under this Department of Employee and Organisational Development.

Mr. Chairman, with that I say thank you, and I close out Head 61.

**The Chairman:** Minister. Thank you for your cooperation.

I will now ask if the Premier will take us to lunch.

*[No audible reply]*

**The Chairman:** Is there any other Minister who would wish to take us to lunch, please?

**Hon. E. David Burt:** Happy to do so, Mr. Chairman.

Mr. Chairman, I move that this Honourable House do now adjourn until—

**The Chairman:** Yes, for lunch.

Thank you, Premier.

**Proceedings suspended at 12:31 pm**

**Proceedings resumed at 2:00 pm**

*[Mr. Scott Pearman, Chairman]*

## COMMITTEE OF SUPPLY

### CABINET OFFICE

*[Continuation thereof]*

**The Chairman:** Good afternoon, Honourable Member. We are continuing in Committee of Supply. For the benefit of the listening audience, we are debating Heads under the [Cabinet Office]. Minister, you left off with Head 61.

You have the floor.

**Hon. Wayne L. Furbert:** Thank you, Mr. Chairman. Welcome back colleagues after having your lunch.

This afternoon we will start out with Head 80, and you can find this on pages B-75 through B-77 in the [Budget Book].

### HEAD 80—OFFICE OF PROJECT MANAGEMENT AND PROCUREMENT

**Hon. Wayne L. Furbert:** Mr. Chairman, it gives me great pleasure to present the budget for Head 80, The

Office of Project Management and Procurement, (the Office) found on pages B-75 through B-77 of the Budget Book.

### Mission

**Hon. Wayne L. Furbert:** The mission of the Office of Project Management and Procurement is to provide oversight and guidance in project management and procurement to ensure transparency and value for money.

The objectives are:

- Compliance: Assure compliance of project and procurement activities to the statutory, regulatory requirements, applicable rules, policies and procedures for projects and procurement.
- Inclusion (local benefits): Assure local benefits are captured in the relevant capital projects, procurement and contracts.
- Reform: Reform project management, procurement, contract and compliance.
- Contracts: Facilitate improved project, procurement and contract management,
- Accessibility: Improve accessibility to Bermudian owned businesses, local suppliers, micro and small and medium enterprises.

### Expenditure Overview

**Hon. Wayne L. Furbert:** Mr. Chairman, you can find Expenditure Overview on page B-75.

The total current expenditure is estimated to be \$682,000 for financial year 2021/22. There is a decrease in the budget from the previous year in the amount of [\$248,000]. This is mainly due to the defunding of posts, and a 10 per cent salary cut for all staff from April 1, 2021, which will continue until July 2021, hence there is a period which is included from April 1<sup>st</sup> to July. Hence why it is the 10 per cent [decrease]. This was due to the austerity that Government was very grateful for the certain unions who took on the task.

Mr. Chairman, the Subjective Analysis of Current Account Estimates of the Department of Project Management and Procurement is found on page B-76, as I mentioned. Let's look at certain costs:

- [Other] Personnel Costs at \$3,000, which compares to last year's [budget]. No change.
- Training is \$3,000, compared to \$8,000 last year a decrease of \$5,000 from last year.
- Travel is zero, a decrease of \$7,000 from last year.
- Communications is budgeted at \$4,000, compared to \$8,000 last year, down by \$4,000.
- No Change in rental expense, \$1,000.
- [Repair and] Maintenance expense, \$4,000, no change from last year.

- Material and supplies, no change from last year, [\$22,000].

### Capital Expenditure

**Hon. Wayne L. Furbert:** Mr. Chairman, a total of \$12,733 is allocated for capital expenditure for 2021/22, as found on page C-10 of the Budget Book. As indicated in the Budget Book, these funds are for the purchase of furniture and audiovisual equipment for the office boardroom to allow on-site training sessions and meetings.

Mr. Chairman, as seen on page B-76, Employee numbers, there is a correction there. You will see that the estimate for 2021/22 was for seven in the Budget Book. It is a total of six [full-time equivalents (FTEs)] down from eight. So there is a decrease of two. And that is the contract and compliance manager and project manager.

Mr. Chairman, as you can see from page B-77, Project Management and Procurement are performance measures. You will note, Mr. Chairman, that several of the performance measures for the target outcomes are a blank. Mr. Chairman, you can rest assured many of these outcomes will be met.

If you will recall, in July 2020, the Government updated its procurement policies which improved efficiency (and I emphasise *efficiency*). At that time, Mr. Chairman, I read the following: *The Government recognises the public procurement policy must be both robust and flexible in order to systematically and practically address the changing economic needs of Bermuda.*

As I said, Mr. Chairman, the changes to the Code have elevated our procurement processes in line with international best practices and standards. Public bodies now have more flexibility in choosing procurement methods that will help achieve greater business value while also mitigating potential contractual risks.

At that time I also said, Mr. Chairman, the latest version of the Code, which came into effect on July 1, 2020, allows public officers to be creative and flexible in their approach to procurement. Understanding and adaptation of the Code is key to promoting consistency and a standard approach across the public sector, thereby reducing inefficiencies often associated with regulatory matters. And as you know, Mr. Chairman, that there are many calls from the public that we could create better efficiencies within government, and this is just one of the steps that are to be made, hence the step down from eight to six staff.

I can tell you right now the number of staff in the Cayman Islands, I would do the same thing under procurement, is about three staff. Three or four I think do this. So, we believe that we can work with six staff, I will be asking the management of consultant services to review the department to allocate and reallo-

cate responsibilities so the department can be more robust and flexible.

Hence why this has dropped, but also it will be our view that despite those dashes on the target outcomes that most of them we will be able to accomplish [them] within the department.

Mr. Chairman, the Office provided the Minister of Cabinet with the required quarterly waiver reports analysis on time; completed 15 Cabinet memoranda reviews from April 1, 2020, to present; and assured that the reviews were vetted within five business days after receipt 95 per cent of the time.

The Office updated its Code of Practice, as I mentioned just now. The changes to the Code have elevated our procurement process in line with international best practice and standards. The public will now have more flexibility in choosing procurement.

Mr. Chairman, the latest version of the Code which came into effect on July 1, 2020, as I mentioned, allows public officers to be more creative and flexible.

Mr. Chairman, in summary, the changes to the Code are as follows:

1. The Code was amended to include two additional categories to which the Code does not apply, however; they do require approvals from the appropriate Accounting Officer or the Financial Secretary, which we hold responsible.

They are: media, communication, and public relations companies with the approval of the Accounting officer; and accounting and auditing firms for specific services which has to be approved by the Financial Secretary. So there is a separation of duties on the work that is done by those officers, which once was to be done by the Procurement Office.

2. A new Procurement Review Committee has been established to review all Unsolicited Proposals (USPs). This Committee is created to assist with the assessment and evaluation of USPs that are submitted to various government ministries. The Committee will consist of the Financial Secretary, the Permanent Secretary responsible for OPMP, and the Director of OPMP.

Before this was handled only by the Director of OPMP. It was felt that we should include others, particularly the Financial Secretary who under Financial Standing Orders comes under the Minister of Finance and the Permanent Secretary responsible for OPMP, and have a faster turnaround time than we have had over the years.

3. The Code now includes new authorisation dollar thresholds, a new Procurement Review committee for Unsolicited Proposals, as mentioned. The 2<sup>nd</sup> Edition of the Code was released in August 2020, and it can be found on the government portal <https://www.gov.bm>.

4. The Office provided virtual training to five or more public authorities on project management and procurement best practices. From July 20, 2020, till

January 26, 2021, the Office conducted six virtual workshops on the Introduction to the Code of Practice for Project Management and Procurement, apprising public officers of the government's procurement rules and their roles and responsibilities using good governance practices and the Code. In total, 96 participants from various departments attended these virtual presentations comprising a pre-survey questionnaire, virtual polling, and an interactive presentation.

5. The Office delivered virtual or in-person procurement assistance or advice to over 50 users and reviewed over 63 procurement-related cases. To further assist the Public Officers with the RFX drafting software, the Office shared with its users the newly created on-line Orbidder training video and the updated help section of the RFX drafting software, which includes helpful user guidance notes and videos for the public officer to use. This has helped improve the users' overall capacity and ability to draft RFXs and understand comprehensive procurement processes.

6. The Office coordinated three Project Management Institute workshops that involved 24 public officers. Additionally, other Public Officers had introductions to Project Management best practices, including guidelines for project management through virtual and in-person meetings.

7. The Office completed two bidders' complaint reviews to a satisfactory conclusion of the complainants.

8. The Office updated the prescribed solicitation documents (nine RFX documents for all procurements and created a new Invitational Request for Quotations (IRFQ) for the lower value procurement). The significant updates included adding new clauses that have PIPA [Personal Information Protection Act 2016] requirements for bidders to safeguard sensitive information. The Office also released two new procurement guidance notes on waivers for single-source procedures to assist the public officers in undertaking these procurement actions.

9. Before the COVID-19 pandemic, with foresight, planning and cooperation, the Office initiated and collaborated with the Department of Work Force Development, CedarBridge Academy, the Ministry of Public Works, and the Department of Planning on executing the Professional-Student Relationship Programme in its third year. This step enabled the Office to lend assistance to the Department of Workforce Development in addressing their 2018 National Workforce Development Plan's recommendations to collaborate with the business community.

To date, over 25 public officers have participated in the nine-month programme delivering workshops, conducting experiential learning activities, and hosting construction and facility site visits for the students who participate.

**The Chairman:** Honourable Minister, if I can interrupt now. I am going to hand the Chair over to my honourable colleague Famous.

Honourable Famous, are you there?

**Mr. Christopher Famous:** Yes, Mr. Chairman.

*[Mr. Christopher Famous, Chairman]*

**The Chairman:** Honourable Members, we now continue the Committee of Supply for the further consideration of the Estimates of Revenue and Expenditure for the year 2021/22.

Minister, you may continue, please.

**Hon. Wayne L. Furbert:** Okay.

To date, over 25 public officers have participated in the nine-month programme delivering workshops, conducting experiential learning activities, and hosting construction and facility site visits for the students who participate.

The Built and Automotive industries have seen a decline in career interest, and these efforts are being made to apprise our young people of the opportunities and benefits of a professional or craft career in these industries.

In 2020, the programme began its public-private alliance with Bermuda Motors Ltd. Bermuda Motors Ltd. hosted experiential workshops on automotive engineering, auto body repair and retail sales. In contrast, the Built Environment sessions covered quantity surveying, project management, engineering, architecture, plumbing, and many more. Twenty-two students from CedarBridge Academy and Impact Academy were registered for the 2019/20 programme until March 2020, when the programme had to end at its 6<sup>th</sup> month due to the COVID-19 impact.

Notwithstanding, through the help of professionals, our young people are better placed for the world of work, and further. In total, 56 students have attended this program between 2017 and 2020.

### Plans for the Upcoming Year

**Hon. Wayne L. Furbert:** The Office will continue to provide the quarterly waiver reports and complete the Cabinet Memoranda of Review within five business days of receipt. Our goal is to have them completed 95 per cent of the time within five business days.

The Office will increase its efforts to ensure public officers understand its oversight and advisory roles for capital projects. This will be accomplished by delivering virtual training sessions and one-on-one sessions to ensure that Project and Procurement policies and procedures are understood and followed. Additionally, the Office will offer four Introduction to the Code of Practice virtual training sessions, and four Orbidder virtual training sessions will be held during the next fiscal year.

The Office will produce an additional procurement guidance note for public officers that will look at the evaluation process in accordance with the 2<sup>nd</sup> Edition of the Code, and the Government approved Evaluation Matrix and scoring notes.

The Office has found a shortage of requisite skills to carry out cost analysis, and Public Officers rely heavily on contractors' pricing to prepare their estimated budget costs. The Office will increase its effort in helping public officers better predict costs and produce the necessary tools to monitor and control these costs. A public officer may, once again, ultimately lead, rather than rely upon others, when predicting project costs.

The Office will achieve this by conducting workshops on budget costing whilst utilising a standardised, systematic process and providing advice on how to capture meaningful data. The Office plans to deliver and implement this cost planning and control programme for public officers. The pilot program will be made up of virtual and face-to-face workshops for at least 10 participants as a pilot, starting June 30, 2021.

The Office will be involved in the National Anti-Corruption and Bribery (NACB) committee to undertake the United Nations Convention against Corruption (UNCAC) assessment which will be completed later this year.

The Office will continue to support the Professional Student Relationship Programme in the new school [year].

Mr. Chairman, the Office will continue to advise, guide, and support the development of, and adherence to project management and procurement regulations and policies and help develop public officers on procurement and project management best practices to raise the level of expertise in these areas across the government.

In closing, Mr. Chairman, the Office, is diligently working to provide oversight and guidance on all government procurement and demystifying these procedures and processes while building capacity.

Mr. Chairman, let me take this opportunity to acknowledge and commend the Office of Project Management and Procurement Team and the Acting Director, Elaine Blair-Christopher, for their hard work and dedication.

Thank you, Mr. Chairman. This concludes Head 80. And now I will turn it over to the Premier.

**The Chairman:** Thank you, Minister, for your diligence.

For the listening public audience, we are now continuing the Committee of Supply for the further consideration of the Estimates of Revenue and Expenditure for the year 2021/22.

I now call upon the Premier to give his delivery.

**Hon. E. David Burt:** Thank you, Mr. Chairman.

I do believe that I will be tackling Head 9 (I'm going to do it off of memory and see how good I am) Cabinet Office; Head 43 IDT; Head 51 Communications; and Head 94 the Department of Economic Development Department.

I will commence with Head 9, which is the Cabinet Office.

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

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

### HEAD 9—CABINET OFFICE

**Hon. E. David Burt:** Mr. Chairman, it gives me great pleasure to present the budget for Head 9, the Cabinet Office, found on pages B-39 through B-45 of the Budget Book.

Mr. Chairman, the Cabinet Office's mission is to maintain public confidence by leading the delivery of Government Services. The total expenditure as seen on page B-41 is estimated to be \$39,022,000 for 2021/22, and represents an increase of \$21,691,000, or approximately 125 per cent more than the current budget of 2020/21. It must be noted however, that this represents a transfer of funds and not an overall increase.

In actual fact, when considering the total amount transferred in, approximately \$25,832,000, and comparing it to the overall increase, it becomes readily apparent that Cabinet Office, as with most departments throughout government, made considerable reductions in an understandably necessary effort to meet the reduced cash limits set by Finance.

Mr. Chairman, with the responsibility for Tourism being transferred to Cabinet Office, the related budget of approximately \$23,500,000 once housed within the Tourism section of the former Ministry of Tourism and Transport, now resides within Cabinet Office. Of that transferred budget amount, the majority, \$22,500,000, consists of the 2020/21 allocation for the Bermuda Tourism Authority grant.

A second contributing factor is the transfer of salaries in the amount of \$363,000 for two additional permanent secretaries. As you know, all permanent secretaries' salaries are now centralised within the Cabinet Office budget. In addition, Mr. Chairman, although not a direct transfer between two ministries, you will note that the last line item on page B-41 shows an allocation of \$2,000,000 provided for the National Health Emergency section which also forms part of the overall increase.

Mr. Chairman, the subjective analysis for the Cabinet Office can be found on page B-42 of the Estimates Book. Please allow me to highlight the material object code increases as well as decreases.

Salaries, line item 1, estimated at \$6,327,000, represents an increase of approximately 19 per cent,

\$1,008,000 compared to the current 2020/21 budget provision. This increase is due to the transfer of the two mentioned permanent secretary posts as well as the four posts transferred over with the Tourism related responsibility for the Regulation and Policy/Hotel Administration Unit in the amount of \$346,000.

Mr. Chairman, as per the Hotels (Licensing and Control) Act 1969 and Regulations 1976, the Regulatory and Policy Unit is responsible for the inspection and licensing of properties listed on the hotel inventory. For the period April 1, 2021, to March 31, 2022, it is anticipated that St. Regis Hotel, phase 2 of The Azura, Brightside Guest Apartments and Bermudiana Beach Resort will come into the hotel inventory whilst several properties including Elbow Beach will come out of the hotel inventory. The resulting licensed bed count for 2021/22 is estimated to be 4,598.

Mr. Chairman, this Unit jointly administers the Vacation Rentals Act 2018 with the Office of Rent Control within the Ministry of Home Affairs. To briefly note, as of March 2<sup>nd</sup>, 64 vacation rental properties have been inspected and issued a vacation rental certificate, valid for one year. The additional duties of this Unit include administering the Hotels Concession Act 2000, the Tourism Investment Act 2017, and the Cruise Ships (Casinos) Act 2013 and, on behalf of the Secretary to the Cabinet, the Lotteries Act 1944.

Mr. Chairman, the remaining balance of the increase within salaries is a result of the temporary workers hired as part of the Bermuda Government's Molecular Diagnostics Laboratory (MDL). It should be noted this is a temporary arrangement as the Molecular Diagnostic Laboratory and its management will transition to a standalone corporate entity and subsidiary of the Bermuda Economic Development Corporation. In addition to the Molecular Diagnostic Laboratory salaried workers, there are also weekly paid temporary additional staff that account for the increases in wages, line item 2, of approximately \$340,000, or 131 per cent. These wages form part of the \$2,000,000 allocation for the National Health Emergency Fund.

Mr. Chairman, MDL started operations on April 19, 2020, instantly expanding COVID-19 testing capacity in Bermuda. The weekly rate of 200 tests until mid-April, was now achievable in one day, allowing testing to be done on all frontline and essential workers during the shelter-in-place period. This new testing capacity allowed for the safe reopening of the country from the level of high restrictions to Phase 4 as approximately 3,000 tests per month were conducted in the first three months.

Whilst providing a more fiscally responsible government testing operation, with testing below \$5.00 per sample, MDL also allowed for a quicker results turnaround with any member of the public able to book a test, get results emailed within 24 hours and for each person's GP to be informed of the result in real time.

Mr. Chairman, MDL was able to drastically increase testing capacity from 3,000 to 12,000 per month in July 2020 when the airport opened and further supported the increase in arrivals to an average of 22,000 tests per month between August and November. The MDL ultimately withstood the stress test when an outbreak occurred last December with a total of 299 positive cases identified out of approximately 33,000 tests performed during the month of December. MDL has kept Bermuda at the cutting edge of testing developments and has recently allowed Bermuda to know which variants have been present on Island, and when they first arrived.

MDL's focus in 2020 was to deliver a world-class COVID-19 testing service to the Island of Bermuda whilst also training Bermudian scientists. To date, over 25 Bermudians have gained molecular diagnostics experience in the Bermuda national testing laboratory as interns or staff members with many entering the workforce for the first time in the career path of their choice, science.

MDL's 2021/22 focus is to continue to deliver on their world renowned COVID-19 testing, further develop staff professionally, and expand into further molecular diagnostics in order to keep as much genetic testing on Island. MDL's aim is to also establish a genetic research laboratory where genetic research is conducted by Bermudians, in Bermuda, for Bermuda. And, as I mentioned, Mr. Chairman, transferring to a standalone entity underneath the Bermuda Economic Development versus being funded out of special projects in the government of Bermuda as the public health emergency will not continue indefinitely and we must position ourselves for sustainability.

Mr. Chairman, returning to the variances:

- Transport, line item 5, is also connected to the allocation for the National Health Emergency fund and represents the increased freight charges related to the import of COVID-19 medical supplies and equipment.

- Professional Services, line item 9, at \$2,519,000, is a decrease of \$293,000, compared to 2020/21. Please note, Mr. Chairman, that there were several reductions made to professional services throughout the various sections of the Cabinet Office as well as the decrease resulting from the Commission of Inquiry not extending into the new budget year.

Mr. Chairman, speaking of the Commission of Inquiry, allow me to once again briefly veer off from the provision of the various explanations to highlight the work of the Commission over the last year.

As you may recall, pursuant to the Commissions of Inquiry Act 1935, on November 1, 2019, I announced the appointment of committee members to the Commission of Inquiry into historic land losses in Bermuda. The establishment of this Commission of Inquiry was in keeping with the mandate of the House of Assembly as expressed in its resolution of July 4<sup>th</sup>, 2014.

Mr. Chairman, I do not have to go into detail for you why we had to wait until later than 2014 for the Commission of Inquiry to be put into place. I will go—

**The Chairman:** Mr. Premier, one minute.

**Hon. E. David Burt:** Sorry?

**The Chairman:** The Chair thanks you on behalf of the people of Bermuda.

**Hon. E. David Burt:** Thank you, Mr. Chairman.

The scope of the Commission's work was to:

1. Investigate historic losses of citizens' property in Bermuda from theft of property, dispossession of property, adverse possession claims—

**Hon. N. H. Cole Simons:** Mr. Chairman, can you guide us as to where the Premier is under a line item please? I am not trying to be mischievous. I am just trying to see where he is.

**The Chairman:** Honourable Member, we are on page B-42. We were on line item 9 at one point.

Is that helpful, Member?

**Hon. E. David Burt:** That is precisely where we are, Mr. Chairman.

**The Chairman:** Member, is that helpful for you?

**Hon. N. H. Cole Simons:** That is the Head, not the line item.

Are you on professional services, Premier?

**Hon. E. David Burt:** Yes.

**Hon. N. H. Cole Simons:** Okay. That's what I wanted to know, that's all.

**The Chairman:** Address the Chair, Member. Address the Chair.

We are on Head 9, line item 9. Thank you.

**Hon. E. David Burt:** May I proceed, Mr. Chairman?

**The Chairman:** Yes, you may, Honourable Premier.

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

The scope of the Commission's work was to:

1. Investigate historic losses of citizens' property in Bermuda from theft of property, dispossession of property, adverse possession claims and/or other such unlawful or irregular means by which land was lost in Bermuda.

2. Collect and collate any and all evidence and information available relating to the nature and extent of such historic losses of citizens' property.

3. Prepare a list of all land to which such historic losses relate.

4. Identify any persons, whether individuals or bodies corporate, responsible for such historic losses of citizens' property.

On March 8<sup>th</sup>, 2020, the Commission issued a notice that a planning hearing would be held on March 19<sup>th</sup>, 2020. However, due to the pandemic, the Commission delayed its initial hearing until such time as the Government of Bermuda deemed it safe for persons to assemble. The Commission also adjusted the date by which persons seeking standing, or who had anecdotal information, but who did not wish to seek standing, could submit documentation. The initial deadline in March was tentatively shifted to May 30<sup>th</sup>, 2020, and then adjusted to June 8<sup>th</sup>, 2020. However, in light of reported challenges encountered by members of the community who sought to access relevant documents, the Commission communicated that the deadline would be extended until June 30<sup>th</sup>, 2020. Finally, in order to accommodate further requests for extensions, the Commission determined that the final deadline for submissions would be July 23<sup>rd</sup>, 2020.

The Commission held its first public hearings of evidence on Tuesday, September 8<sup>th</sup>, 2020. To-date, the Commission has completed five tranches of digitally-supported hearings, in order to address a caseload of 54 applicants. Due to the COVID-19 pandemic, the Commission had to place heavy reliance on Zoom meetings, live Facebook feeds, recorded YouTube video and live-streaming on CITV. Additionally, a separate historical review was carried out by two Bermudian historians, Dr. Theodore Francis and Dr. Quito Swan, in order to investigate the Tucker's Town and St. David's land expropriations. In fact, the Commissioners have held approximately 70 different evidentiary proceedings and sessions thus far. These proceedings have been held at the Grotto Bay Resort, Willowbank Resort and Conference Center, and at Warwick Camp.

Mr. Chairman, the majority of the budget has been used for operational expenses such as salaries and compensations, electronic services, transcription services and venues.

Going forward, the Commission is in the final stages of the evidentiary hearings and will complete their report in the very near term. At this time I would like to thank the Commission made up of the Chair of the Commission Justice Norma Wade-Miller OBE, JP and members Mr. Wayne Perinchief, JP, Mrs. Maxine Binns, Mrs. Fredrica Forth, Mrs. Lynda Milligan-Whyte, JP, Mr. Jonathan Starling and Mr. Quinton Stovell.

Returning to the Subjective Analysis, please note Mr. Chairman, that the full amount of the decrease within Professional Services was not fully reflected due to the necessary allocation to services that form part of the National Health emergency fund.

The next variance to be highlighted is found within Equipment (Minor Capital), line item 15: Please note that the \$916,000 increase is a direct result of the necessary medical supplies and equipment allocation for 2021/22 within the \$2,000,000 National Health Emergency allotment.

**The Chairman:** Continue, Member.

**Hon. E. David Burt:** Finally, Mr. Chairman the remaining material variance is seen in Grants and Contributions, the last line item, which shows an allocation of \$26,439,000, an increase of \$19,600,000 above 2020/21. This is a result of the transfer in of the Tourism related grants. You may note that the transfer in of \$23,000,000 related to the BTA grant and smaller associated grants (World Triathlon Series, Heritage Weekend and Cup Match grants) is also not fully reflected.

Again, necessary reductions were made in order to reach cash limit constraints in the grants to both the BTA, the Bermuda Economic Development Corporation [BEDC], and the grant to the Bermuda Business Development Agency (BBDA). Mr. Chairman, I will cover the grants to the BEDC and the BTA when I complete the brief on this Head.

## MANPOWER

**Hon. E. David Burt:** Mr. Chairman, as seen on page B-43, Employee numbers, there is a total increase of six FTEs in 2021/22 compared to the 2020/21 original FTE estimates. This results from the already mentioned two additional permanent secretary posts under business unit 19000, General Administration, as well as the Tourism transfer in of the four Regulatory and Policy, Hotel Administration, posts seen under the new business unit 19065. Let me quickly mention that the decrease within the last line item PATI/PIPA, 19085, relates to a mere internal post transfer and accounts for the third FTE increase within General Administration.

## CAPITAL EXPENDITURE

**Hon. E. David Burt:** Moving on to Capital Expenditure, Mr. Chairman, you will note that in accordance with page C-4, there are funds allocated for Capital Development in the amount of \$2,570,000. [That is] \$1,070,000 for the shoreside facilities, and an additional \$1,500,000 for the Community Clubs and Community Investment Grant.

Mr. Chairman, the development of a cooperative means by which to support the work of Bermuda's fishermen is set out to culminate in the development of a shoreside fish processing facility. Whilst the consultations are ongoing the Cabinet Office is working to bridge historical divides within the industry to promote greater economic independence and greater econom-

ic success for what may be termed as one of our original pillars.

Mr. Chairman, the plans for the site have been reviewed and will be modified to reflect the most modern equipment and approaches to the processing of fish. The area of Marginal Wharf best lends itself to this operation but we continue to consult and during this fiscal year there will be significant advances in this critical cooperative development.

Mr. Chairman, in keeping with this Government's longstanding promise to support the Island's Community Clubs, I am pleased to join ministerial and parliamentary colleagues and I will also note that I also have, when there are clubs that are located in seats not held by the Government, that I have also made sure that Members of the Opposition have been invited to attend those presentations. So I say that I am pleased to join parliamentary colleagues in presenting a series of capital grant cheques to provide for much-needed infrastructure improvements for our clubs.

The men and women who are not just members, but whose heart and soul is poured into the mission and community outreach that many of these organisations provide, have welcomed these grants. This fiscal year sees grant funding renewed as we are determined to continue this transformational programme.

As seen on pages C-9 and C-10, there were no Capital Acquisition submissions for 2021/22.

Mr. Chairman, I shall now turn my attention to output measures.

### OUTPUT MEASURES

**Hon. E. David Burt:** The performance measures developed for the Cabinet Office are found on pages B-44 and B-45. The majority of the measures outlined in the 2020/21 have been or are anticipated to be realised by March 31<sup>st</sup> with continuance throughout the 2021/22 period.

Mr. Chairman, business unit 19035, the London Office, achieved all of its targets set, especially within the first target of assisting Bermudians (including Bermudian students) living within the UK, which was clearly put to the test but notably demonstrated during this pandemic.

As was previously seen on page B-41, the London Office has a budget allocation of approximately \$1,114,000 for the fiscal year 2021/22. The office, on a whole, continues to provide a service to the Government by maintaining our relationship with the United Kingdom through high level dialogue with the UK Government, particularly through increased engagement with departments of Her Majesty's Government across Whitehall. While doing so, the office works with governments of the Overseas Territories on shared policy areas across the Territories.

The London Office is responsible for engaging with both Houses of Parliament, the UK Diplomatic Corps, such as embassies and high commissions; the United Kingdom Overseas Territories Association; the Commonwealth Secretariat, along with all UK based Commonwealth Associations; as mentioned, Bermudians living in the UK including students; the general UK public, to include private companies; civil societies and those who have a general or vested interest in Bermuda.

For fiscal term 2020/21 the primary function of the London Office was to provide the necessary immediate assistance and guidance through its consular function to Bermudians living and studying in the UK and throughout Europe as a result of the impact of the COVID-19 pandemic.

For fiscal year 2020/21 the London Office provided assistance to 918 consular cases. The nature of consular assistance ranged in levels of varying circumstances from routine travel assistance to matters of critical nature.

This level of assistance included managing the repatriation of 236 Bermudians from around the world routed through London on the British Airways flights chartered by the Foreign Commonwealth & Development Office at the beginning of the lockdowns in April and May.

Mr. Chairman, the functions of the London Office for the fiscal term 2021/22 are:

- to continue to support Bermudians in the UK and Europe within its consular affairs;
- to maintain dialogue across the UK Parliament by engaging with UK Members of Parliament;
- to continue engagement with UK civil servants in departments across Whitehall on all policy matters relating to Bermuda and Overseas Territories;
- to support Bermuda's Financial Services regime;
- to support the efforts of Bermuda and other Overseas Territories' involvement at COP26 Summit in Glasgow to showcase efforts from Bermuda and the UK Territories in tackling climate change and;
- to implement political commitments made through the Joint Ministerial Council in November 2020.

For fiscal year 2020/21 Bermuda holds Chairmanship and Presidency amongst Overseas Territory Governments through the United Kingdom Overseas Territories Association.

Mr. Chairman, please also note that the Brussels Office is managed by the UK Representative through the London Office. The work on the ground is overseen by the Government's Senior Advisor European Affairs & Policy, Ms. Aliyyah Ahad, who took up the post in October. The Office will also provide op-

portunities of experience to students and graduates through various internship programmes.

The objective of the Brussels Office is to maintain relationships with key stakeholders and decision-makers on the ground in Brussels while establishing new connections. With the UK's exit from the European Union the objectives of the Brussels Office for fiscal term 2021/22 will be:

- to maintain close dialogue with the European Commission, Council and European Parliament and other EU institutions;
- to facilitate access of the Premier and Ministers to key persons in upholding the Government's presence in Europe;
- to work with the Ministry of Finance to support Bermuda's global position of a robust regulatory financial regime.

The Office has been allocated approximately \$396,000.

Mr. Chairman, turning to business unit 19080, Head of the Public Service, on page B-45, I am pleased to provide an update on the second measure to develop a five-year public service plan that requires the review and justification of services provided by government by June 2020.

Honourable Members will recall that this measure derives from the Objectives as set out in the Government Reform Strategic Framework. The recommendations that will inform the plan depend largely on data gathered as a part of the zero-based budgeting process. An analytical tool to assess the public value of government services was tested during the last budget cycle (2020/21), refined and implemented in earnest as a part of the preparation for the fiscal 2021/22 budget. A quantitative analysis is now in progress. A qualitative review will follow and public services will ultimately be placed in five main categories: 1) Essential; 2) Important; 3) Needed; 4) Desirable; and 5) Optional. Following consultation with all stakeholders the five-year public service plan will be produced.

Mr. Chairman, with respect to customer complaints, while the feedback system has not as yet been implemented, development is a work in progress and it is expected to launch in this fiscal year.

Moreover, Mr. Chairman, the Government is working to establish service standards and it is expected that a full customer service training programme for all public officers will be implemented prior to the end of the year. The new Guidelines for Service Standards are embedded in the revised Conditions of Employment and Code of Conduct which has been updated for the first time in 20 years and is expected to be effective on April 1<sup>st</sup>, 2021.

Mr. Chairman, allow me to turn your attention to the last business unit, 19085, the PATI and PIPA Unit and briefly expand beyond their achievement of their target for 2020/21.

The Unit takes on a mandate of the implementation and maintenance of the Public Access to Information Act and the Personal Information Protection Act (referred to respectively as PATI and PIPA) within the Government, as well as the coordination of the respective pieces of legislation. The Unit aids the Government to not only meet its requirements in this regard, but to support the Government in creating a beneficial environment that supports a viable economic ecosystem. This Unit also works in collaboration with the offices of the Information Commissioner and Privacy Commissioner in the focus on transformative change in the Government and our jurisdiction.

The Government of Bermuda interacts with the public and the broader community by collecting and exchanging data using physical and electronic methods in the course of conducting everyday business processes. As such, the government holds an abundance of information related to such processes, as well as a significant amount of personal information. It is therefore, important that the rights of access to information and privacy are ingrained in the organisation's operations and culture.

Mr. Chairman, as seen on page B-41, the PATI/PIPA Unit has been allocated \$464,000. Requirements specified in both PATI and PIPA include: implementing operational and administrative measures to respond to requests; management and accessibility to records; reporting to regulatory authorities; and documentation of management and processing records and requests. The Unit will play a significant role in the facilitation of these common requirements present in both Acts.

Mr. Chairman, the PATI Framework is operational and shall be reviewed during 2021/22 to enable the optimal utilisation of resources within the Unit. In addition to the coordination of the review of PATI for amendment during the year, the Unit will consider whether current activities should be refined or expanded. These activities include:

- development of internal policies, procedures and guidance;
- the facilitation and advice to public authorities in relation to access to requests;
- the provision of awareness building and information officer training; and
- the communication with stakeholders on PATI and other information access developments.

Mr. Chairman, as we prepare for PIPA to come into force, the Unit has been working in collaboration with the Privacy Commissioner and the Information Commissioner to review the existing legislations. In the absence of a standalone privacy law in the past, individual laws may contain aspects related to personal information and/or data privacy that is now superseded by PIPA. In line with this need, a significant harmonisation exercise has taken place with the

PATI legislation. Amendments will be brought forward during this legislative session.

Mr. Chairman, when PIPA is in force it will have significant implications for the entire jurisdiction. As the Government is responsible for protecting the largest collection of personal information held in Bermuda, the Government's privacy programme is of vital importance. The Government will be required to notify residents as to how and why we collect, use and store their personal information through privacy notices. Risk assessments, as to how personal information will be used and protected as per PIPA requirements, will be integrated into our operations. PIPA also impacts our interactions with organisations, including vendors and service providers. Assessing their PIPA compliance will become an important step in the contracting process.

The Unit has identified a privacy framework to guide its work and intends to more fully develop and operationalize their implementation plan during 2021/22. Requirements in the framework and plan, either currently underway or anticipated include:

- production of internal policies, procedures and guidance;
- creation and implementation of specific processes to respond to legislated requirements;
- provision of general and targeted training; development and delivery of communications and awareness programmes;
- development of an international data adequacy framework; and
- monitoring and auditing PIPA compliance within the government.

Mr. Chairman, privacy is affected by many other requirements and processes underway within the government. For example, privacy interests with information technology security, or cybersecurity, which is the protection of electronic data from criminal or unauthorised access and use. The PATI/PIPA Unit will work in collaboration with the Ministry of National Security, the Information and Digital Technologies Department (IDT) and the Cybersecurity Governance Board to support the implementation of the Bermuda Cybersecurity Strategy, and specifically in relation to security breach requirements. The Unit will also ensure that it leverages and promotes the government's records management requirements, complying with regulatory requirements while also reflecting good governance. Additionally, the Unit will aid in the ongoing reform process, helping to ensure that privacy by design and default begin to be integrated into Government's programmes and initiatives.

Mr. Chairman, the Government's reform programme will both impact and be impacted by information access and privacy, especially if progress is continued towards open data. The synergy between information access and privacy must be understood and emphasised. The PATI Act makes a path for

openness and accountability in our public services. It complements PIPA provisions for improving people's access to information about themselves, alongside the protection of their confidentiality and privacy.

Further, the aforementioned future amendments to PATI can emphasise the ongoing work of the government to broaden rights of access as well as rights of privacy. The Team will work together within the Government space to ensure training and awareness to ensure streamlined public access, privacy rights and confidence in the Government.

Mr. Chairman, at this time, before I move on to the three major quangos which are funded under Head 9 in grants, I would like to take the opportunity to extend my thanks to all of the staff at the Cabinet Office under the leadership of the Secretary to the Cabinet, Major Marc Telemaque, and the Permanent Secretary for the Cabinet Office [Lt.] Colonel Edward Lamb, for their ongoing contributions and dedication to serving the people of Bermuda.

The Cabinet Office is the heart of Government and the entire team has my gratitude for the support they provide to the country. I would also like to thank my personal staff led by Chief of Staff Senator Owen Darrell, Assistant Chief of Staff, Jordan Scott-Furtado, and a new addition as of March 1<sup>st</sup>, a recent college graduate, Mr. Kiuno Cann who handles communications and social media, for the work they do to support the Office of the Premier. All three gentlemen go above and beyond on a daily basis assisting with inquiries from [premier@gov.bm](mailto:premier@gov.bm) to Facebook to Twitter to Instagram, to LinkedIn, and of course persons who call the Cabinet Office every day to seek assistance, or who stop by for help with the challenges that they are facing. This team is invaluable to this Office and they have helped many in this country over the past year.

Before I conclude my presentation on Head 9, Mr. Chairman, I would like to refer the [Committee] to page C-17 where I will discuss the matters relating to the Bermuda Economic Development Corporation, the grant to the Bermuda Tourism Authority, and also the grant to the Bermuda Business Development Agency.

On the top of page C-17, Grants and Contributions, of the Estimates of Revenues and Expenditure for the year 2021/22.

### **BERMUDA ECONOMIC DEVELOPMENT CORPORATION (BEDC)**

**Hon. E. David Burt:** Mr. Chairman, it gives me great pleasure to present the budget for the Bermuda Economic Development Corporation, a quango presently under the Cabinet Office.

The Bermuda Economic Development Corporation, which for ease I will refer to as BEDC, is currently responsible for overseeing the operation of the Economic Empowerment Zones, EEZs, for providing financial support and technical advice to small and

medium sized businesses, monitoring the operation of outside vendor markets and for managing vendors and issuing vending licences.

The organisation's key objective remains to assist the Government in encouraging economic growth for Bermuda's local and small and medium sized businesses.

For fiscal year 2020/21 because of the severe impact to Bermuda's economy by COVID-19 and the adverse effects to the Government's revenue stream, BEDC will receive a significantly reduced operating grant from the Cabinet Office in the amount of \$764,126. This represents a 70 per cent decrease on the original Cabinet Office grant offered to the BEDC for fiscal year 2020/21.

Although there will be a one-year decrease in the BEDC's operating grant the corporation believes it will still be able to meet the remit of growing Bermuda's entrepreneurial ecosystem through, first, carry-over funds from uncompleted projects and initiatives in 2020/21 due to a shift in priority to focusing all of these sources on providing COVID-19 funding relief for businesses, and through the balance of the \$12 million supplemental grant which will continue to be used to support businesses as the impact of the COVID-19 pandemic continues in 2021/22.

Mr. Chairman, [in] the current fiscal year 2020/21 BEDC initially received a grant from the Cabinet Office in the amount of \$3,683,752. This comprised \$2,563,752 for general operations and annual BEDC programmes; \$1 million for the research development and establishment of the Uptown Development Authority initiative assisting with the regeneration of the North East Hamilton [Uptown Development] Economic Empowerment Zone; \$120,000 for assisting with the development of a fishing cooperative for Bermuda.

Additionally, due to the unexpected and devastating impact of the coronavirus, both internationally and locally, the Minister of Finance provided the BEDC with a supplementary grant of \$12 million during the fiscal year to directly support local small and medium-sized businesses impacted by the pandemic.

These impacts were felt throughout the Island's business community and were manifested by temporary closures due to shelter in place, reduced operating hours due to curfews and public health notices, increased operating costs due to PPE and decreased customers due to airport and cruise port closures.

Initial requests for funding in 2020 were mainly to meet the immediate business sustainability needs for business owners to weather the COVID-19 storm, essentially triage funding. In 2021 the BEDC has seen requests for longer-term business continuity needs due to the economy remaining challenged in which businesses are pivoting, shifting and embracing new and innovative ways of doing business. During this fiscal year, the BEDC has approved 158 funding

applications from small and medium-sized businesses through reallocation of its own funds and mostly supplemented by the Ministry of Finance's \$12 million additional grant.

Twenty-eight per cent, or \$3.4 million in funding has been disbursed thus far to local CMEs in a range of funding projects. This has thus far tripled the amount of direct funding that the BEDC provides to businesses in an average year.

The BEDC estimates that demand will be as high in the fiscal year 2021/22 as the impacts of COVID-19 are expected to remain within Bermuda's economy, and businesses will, therefore, require continued long-term funding support.

Mr. Chairman, the BEDC believes that it spends a considerable proportion of its operating budget on rent and associated service charges in the range of approximately \$170,000 annually. In addition, given the corporation's expanded programmes in entrepreneurship education, global entrepreneurship and incubation and acceleration, it considers that it has outgrown its current premises in terms of functionality, space, size and use, oftentimes requiring the corporation to rent external space to hold seminars, workshops and events.

The BEDC is desirous of reducing its dependence on the generous government grant provided annually through having the ability to generate revenue through fees for service, licences and renting out office space. As such, in fiscal year 2021/22 BEDC will develop a concrete plan for the purchasing and/or building of its own building over the next few years. Enterprise House will be located in the North East Hamilton Economic Empowerment Zone as a catalyst regenerator tool within its own right while allowing the BEDC to house its programmes, expand services and reduce external costs.

The ultimate goal is to have a space for entrepreneurs, including a space for the Uptown Community Development Corporation, which I will discuss later, and the North East Hamilton Economic Empowerment Zone incubator hub, that fosters growth and development while reducing the BEDC's operating costs generating revenue for the corporation and expanding the BEDC brand.

Currently the BEDC is completing capital works of two of its three economic empowerment zone incubator hubs. In the Somerset Economic Empowerment Zone the EEZ incubator hub is located at Forth House, 68 Somerset Road in Sandys, in the prominent location of the former Il Palio Restaurant space.

Likewise, in the St. George's economic empowerment zones, capital works are being completed on the EEZ incubator hub located on the top floor of the St. George's Post Office, at 11 Water Street, in the town of St. George's, part of the former police station. Both incubator hubs will be completed by the end of March 2021 for launching of applications in April of

2021, with the goal of seeking innovative and hungry entrepreneurs looking to start businesses to enhance and regenerate both unique zones.

The highly competitive process will see a total of 12 start-ups selected annually between the two incubators. The goal is to also build a similar incubator hub within the North East Hamilton Economic Empowerment Zone in fiscal year 2021/22 and a potential location has already been identified within the zone.

Building off the success of BEDC's Enterprise Bermuda Incubator Programme [housed in the BEDC's main office and supporting 22 start-up companies over the last three years, the EEZ's Incubators will ensure that entrepreneurs get beyond the idea stage and start to bring their businesses to fruition while regenerating the zone.

Mr. Chairman, for all it achieves the BEDC is a relatively small organisation (and I am now moving on to BEDC's manpower. In the current fiscal year, the BEDC added no new posts and has a staffing complement of 14 full-time posts. There is currently one vacant post with the departure of the former Director of Finance Data and Administration, Mr. Ray Jones, at the end of November. The BEDC has recruited for his replacement with a successful candidate selected who will be filling the post on June 1, 2021.

I would be remiss if I did not thank Mr. Jones for the incredible job he did while at the BEDC and the government will benefit from his vast knowledge and experience in his new role as Director of the newly formed Economic Development Department, which, Mr. Chairman, I will cover when I get to Head 94.

Moving on to outcomes, Mr. Chairman, the current fiscal year has been an extremely busy year for the organisation, given the overriding goal to assist as many businesses as possible due to the ongoing impact of the pandemic on local business. I would like to share some of the BEDC's major achievements over the past year in part due to the supplemental grant funding that was received.

1. **Entrepreneurship Advisory Services.** As a result of COVID-19 in 2020, the BEDC held 1,309 one-on-one advisory meetings with entrepreneurs, significantly surpassing the number in 2019, which was 610. The doubling of the number of advisory meetings was in response to meeting the needs of businesses. Sixty per cent of those 1,309 were new clients to the BEDC reflecting the outreach the BEDC conducted in order to reach businesses who would not ordinarily be clients of the BEDC. Business owners needed to have advice and support during an extremely challenging year.

2. **Entrepreneurship Education.** In the midst of dealing with the pandemic, entrepreneurs continued to commit to building their knowledge about entrepreneurship. This was more important than ever before, as the need to pivot to be innovative and creative and resilient was the mantra of 2020. Amazingly during the

pandemic 93 entrepreneurs committed to graduating from BEDC's five multi-week entrepreneurship education courses. The BEDC also had to pivot to be creative to provide learning in a virtual format and made the decision to reduce the cost of these courses by 50 per cent so that they could remain accessible. In addition to its multi-week courses the BEDC shifted and ramped up its quarterly seminars to offer a full range of webinars covering a variety of topics aimed at assisting entrepreneurs during COVID-19, and 90 per cent of the webinars that were offered were complementary.

From April 2020 to November 2020 the BEDC held 23 webinars ranging from understanding COVID-19 funding support through to rebranding, pivoting online, supporting Black-owned businesses, and surviving and thriving through a crisis. [There were] 1,091 business owners, entrepreneurs and would-be start-ups who attended the 23 webinars doubling the 2019 numbers for quarterly seminars held in person.

3. **Entrepreneurship Financing.** As a direct result of the supplementary grant funds in this year's fiscal budget, 158 businesses have been supported during COVID-19 in the amount of \$3.4 million, 28 per cent of which is grant funding. So, again, Mr. Chairman, \$3.4 million has been given, and \$1.1 million, or 28 per cent of that, is grant funding, which means that money does not have to be repaid. The balance of the \$2.3 million is loan funding to be repaid back to BEDC. The breakdown of the approvals is as follows:

- 39 general/debt consolidation micro-loans totalling \$959,000;
- 104 COVID-19 micro loans/grants in the amount of \$2.1 million;
- 2 COVID-19 loans, \$70,000;
- 2 COVID-19 loan guarantees, \$45,000;
- 4 COVID-19 guarantee overdrafts, \$152,000;
- 7 COVID-19 emergency grants of \$42,500.

Multiple applications are still being actively processed by the BEDC officers for all funding types.

4. **Entrepreneurship catalyser.** Even during unprecedented economic challenges of the pandemic the entrepreneurial spirit in Bermuda prevailed. Thirty-two new businesses, Mr. Chairman, took advantage of the new start-up payroll tax relief which was implemented by this Government, resulting in 45 new jobs being brought to market. Likewise, 18 businesses formed in the EEZs and took advantage of the EEZ payroll tax relief bringing 26 new jobs into the zone. The Enterprise Bermuda Incubator piloted in 2018 with six companies in the first cohort incubated for nine months, and eight companies in 2019 incubated for 12 months saw eight new innovative start-ups accepted for the third year-long cohort in 2020. And they persevered to success in spite of the pandemic creating eight jobs along the way. These three programmes supported 58 businesses in 2020, bringing 79 jobs to the market.

**The Chairman:** Excuse me, Honourable Premier, something is wrong with your audio. Would you repeat that last statement please?

**Hon. E. David Burt:** I am happy to do so, Mr. Chairman.

These three programmes supported 58 businesses in 2020, bringing 79 jobs to the market.

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

**Hon. E. David Burt:** No problem, Mr. Chairman.

Likewise, the resilience of micro-entrepreneurs and vendors was visible in 2020, with 97 vending licences approved. Although a decrease of 13 per cent compared to the 2019 licences, 63 per cent of the applications were new applicants. Given the pandemic, this indicates confidence with testing new products or concepts.

5. Youth Entrepreneurship. The summer student entrepreneurship programme prevailed in 2020 with student entrepreneurs shifting to online and e-commerce business models due to the pandemic. Ten students between the ages of 16 and 25 built businesses in 2020 bringing 10 new jobs to the market. The students were seeded with loan funds, training and mentorship to establish businesses that earned a total of \$12,347 in revenue over an eight-week period during COVID-19.

6. Entrepreneurship networking and promotion. In spite of the pandemic, Global Entrepreneurship Week continued to be successful throughout November 2020, as Bermuda joined with over 180 countries in celebrating entrepreneurship in a socially distanced and virtual way. Global Entrepreneurship Week is the world's largest celebration of innovators and job creators who launch start-ups that bring ideas to life, drive economic growth and expand human welfare. Events in Bermuda were held through the four core tenets of Global Entrepreneurship Week—inspire, engage, connect and mentor. Bermuda's 2020 celebration resulted in 25 events held, 72 partners committed, 6,000 participants involved, and 75,000 awareness engagements via radio, TV and social media.

Moving on to the focus for this upcoming fiscal year. Although much progress has been made in ensuring new products and services are developed to continue to facilitate entrepreneurship and new businesses formation on Island, with the devastating impact of the pandemic on local business Government is desirous that BEDC focus on key principles and initiatives in 2021/22 that it believes will provide further benefit and positive impact economically to Bermuda. These activities are:

1. Annual business registration: Unlike many other countries, Bermuda does not require sole-proprietor businesses to register and obtain a licence or permit to operate. While the BEDC Act indicates that the BEDC must maintain a register of business, it

does not state that businesses must register with BEDC. To date, it is purely voluntary. As such, there has been a gap in oversight of sole proprietors and in collecting key data such as number of start-ups, number of closures, size of businesses, employee numbers, industries of businesses, and contribution to the economy revenue-wise. Without this timely information, developing appropriate and useful public policy that meets the needs of entrepreneurs continues to be a challenge. The Attorney General's Chambers has commenced the initial work of reviewing the BEDC's current legislation with the goal of assisting the Bermuda Economic Development Corporation in modernising.

2. Virtual Markets: COVID-19 highlighted the importance of the role that technology will play in Bermuda's future and the future of work. As businesses pivoted to online and e-commerce platforms in order to conduct business and remain relevant through the pandemic, issues such as accessibility, affordability and availability plagued businesses being able to adapt quickly. The BEDC recognises that access to affordable virtual markets is a must for business success and is actively developing an option for Bermuda's local SMEs. Local software developer Jahde Eve, and his Code441 company is currently three months into building BEDC's virtual market platform. The BEDC's goal for the platform is to be available to the public by May 2021 providing a simple avenue for entrepreneurs, tradespeople and home-based businesses to sell their goods and services online. Currently, setting up an online business can be challenging for many. But the BEDC virtual market which aligns perfectly with the mission to provide markets will greatly reduce barriers that get businesses online.

So, Mr. Chairman, people will no longer have to worry about going through the cumbersome process of getting a merchant account at the bank, dealing with all of those matters. The BEDC is going to work to take on that risk so that people can get online more quickly to sell their wares. This is not just for people who are selling goods, this is for tradespeople who may want to accept payments and credit cards and cannot go through these processes. We are trying to make online business easy and simple, and this is something that we will deliver this upcoming year.

3. On to cooperative legislation. The Bermuda Government is desirous of creating a cooperative ecosystem in Bermuda and as such, appointed a Director of Economic and Cooperative Development within the Bermuda Economic Development Corporation. The Director has been involved the Island in continuous cooperative education and public engagement initiatives aimed at raising the awareness, knowledge, and skills of cooperatives. To shore up and progress the cooperative framework, it is recommended that specific cooperative legislation is needed as another option business model for businesses to consider. Work has commenced on the research and develop-

ment of legislation with solid examples found in the US and the UK.

In early fiscal 2021/22, further work will be carried out with the goal of legislation before the summer of 2021. And, Mr. Chairman, when I get to Head 94 later, which has a legislative unit inside of it, you will hear more about that initiative and how the Department of Economic Development will assist.

4. **Shoreside Fisheries Complex Enterprise:** Local fishermen have expressed to the Government interest in reestablishing a shoreside facility to assist the commercial fishing industry in Bermuda. The objective of the new facility will be to provide services to the fishing industry and support the activities of fishermen as well as develop a complex run and supported by fishermen with the goal of having a viable fisheries industry.

The BEDC has been tasked to assist the Government in building a proper facility and developing a competitive business model for Bermuda incorporating fishermen in both the ownership and running of the facility. Research work is underway with a steering group formed of key fishers' group and the Department of Environment and Natural Resources. In fiscal year 2021/22 construction will commence on the facility with the appropriate business model for the fishermen involved.

5. **The Uptown Community Development Corporation:** The BEDC has been tasked with the establishment of an authority or dedicated similar body which will oversee the regeneration and community development of the North East Hamilton Economic Empowerment Zone. Research has been carried out with a recommended plan developed mapping a way forward. In early fiscal 2021/22, the BEDC will progress this plan through consultation with the stakeholders in North East Hamilton.

6. And finally, Mr. Chairman, EEZ Incubators and Innovation Hubs. Continuing to regenerate the three EEZs the BEDC has developed a new and innovative benefit that will incentivise more businesses to locate in the three zones and welcome more patrons to visit the zones thereby spurring economic development to these locations. Physical incubator hubs are near completion in Somerset and St. George's EEZs with applications open and creative starts expected in late April. Innovative technology offerings will be a key factor in these hubs.

**The Chairman:** One minute, Premier.

For the benefit of the listening audience, we are continuing the Committee of Supply for the consideration of the Estimates for the financial year 2021/22. Thank you.

**Hon. E. David Burt:** Thank you, Mr. Chairman.

Mr. Chairman, in closing, business creates jobs and jobs employ the people thereby growing our economy. In fiscal year 2021/22, the Bermuda Eco-

nomics Development Corporation will continue to enhance its products and services to provide further opportunities for Bermuda's local micro, small and medium-sized businesses with the goal of facilitating economic growth and empowerment in this sector. It is therefore vital that the BEDC receive the budgetary support required to continue fostering economic stability and growth for Bermuda's local entrepreneurs.

The BEDC has adequate funds to execute its mandate despite the one-year reduction in its grants. This Government has an excellent record of supporting entrepreneurs and will continue to support the BEDC after this year.

Mr. Chairman, I would like to add my commendation to Ms. Erica Smith, the Executive Director of the Bermuda Economic Development Corporation and all of her staff for the sterling work that they do and for their tireless commitment to growing local business in Bermuda. They have gone above and beyond over the last year helping many businesses to survive during the pandemic, and Bermuda is better off for their efforts.

I would also like to thank all of the members of the Board of Directors of the Bermuda Economic Development Corporation for advancing the work of the BEDC, especially the former Chair, MP Jamahl Simmons, the current Chair, Mr. Neville Grant, and Deputy Chair, Mr. Chris Maybury.

That concludes my presentation, Mr. Chairman, on the Bermuda Economic Development Corporation.

## BERMUDA TOURISM AUTHORITY

**Hon. E. David Burt:** I will now turn my attention to what is found on page C-17 and is a \$21.5 million grant to the Bermuda Tourism Authority.

Mr. Chairman, I hope that the Shadow Minister, the former Premier, is listening and tuned in. I would hate for him to miss anything that I am going to cover in this brief.

Mr. Chairman, tourism remains a significant pillar of the economy. The decline in tourism as a result of the pandemic was traumatic. It was enormously destructive and distressing for many Bermudians. The devastating impact remains across our community even a full year later. It was in the face of these challenges that this Government took a fight-back approach to reopening the economy safely and responsibly last July becoming the global standard for returning to tourism successfully during a pandemic.

Whilst the recovery has been slow and gradual, thanks to the hard work and sacrifice of this community Bermuda's tourism comeback is already happening faster and more effectively than its competitors. The grant allocation of \$21.5 million for the Bermuda Tourism Authority with careful oversight from the Cabinet Office will provide the aid required for the Island's travel sector recovery.

At the start of this calendar year, the Bermuda tourism comeback was stalled. Having gotten underway in the summer and fall of 2020 the recovery of tourism regressed simultaneously with the winter surge of COVID-19 in Bermuda's key markets. The slow and steady progress of last year was not by accident. It was through careful pandemic management and agile strategic planning in tourism. Lessons were learned by the Bermuda Tourism Authority and the things that worked well will be repeated and built upon in 2021.

Hopefully the April 1<sup>st</sup> start to the government's fiscal year is also around the time when access to vaccinations is ramping up around the world, and the pent-up demand for travel is due to unfurl.

Mr. Chairman, in this next section I will delve into Bermuda's Tourism Authority's plan for investing \$21.5 million that we are asking be appropriated from this House to drive the recovery of our precious tourism industry for the purpose of rebuilding our economy and for recreating jobs.

For the 2021 calendar year, the BTA is forecasting total income of \$28.7 million, most of which is supplied from a government grant. The remaining \$7.2 million is forecast to come from fees paid by visitors whether they come to the Island via cruise or stay in our hotels and vacation rentals. Accurately estimating income is a tremendous challenge because the flow of visitors into the Island over the last months and probably the next 12 will be wholly unpredictable. As in the previous year, the BTA will regularly review all expenditures and take any necessary action in light of any new information affecting income streams.

As is always the case, the vast majority of BTA funds is spent on selling and marketing the destination and, when adjustments are necessary, funds allocated for this purpose are the last to be impacted.

As a point of reference, the BTA income estimate at the start of 2020 was \$38.7 million. In the end, income fell about \$14 million last year. In cruise travel alone the projected income figure was \$7.3 million. The year ended at zero. Money spent for advertising remained largely untouched. Although the BTA did not know by how much, by late March last year it could predict unprecedented injury due to the overall industry and its income derived from visitor spending.

At the beginning of April 2020 the Bermuda Tourism Authority took decisive and precautionary measures. Almost immediately, the organisation implemented reduction in salary of up to 40 per cent and the resulting reduction of work hours. Senior executives did not reduce their time on the job, but their earnings were cut as well. All agencies working with the Bermuda Tourism Authority had to agree to an immediate 20 per cent reduction in their contracts if they wanted to maintain the Islands' businesses. And they all agreed.

Just one point of note, Mr. Chairman. I think it is important to note, and I will get clarification from the

Bermuda Tourism Authority, they submitted questions. Unfortunately, I do not believe that all executives did take the pay cut, but I am sure that is a question that will probably be raised by the Opposition when we get to questions and answers.

In addition to reduced salaries and work hours, the following strategic cost saving measures have either been implemented or are underway in an effort to make a more efficient and nimble organisation.

Pre-pandemic, there was a budgeted head account for 55 roles, all roles that have been vacant for over a year have now been defunded and eliminated. Where there are needs to fill vacancies they represent replacement hires. Roles that have no place in current or future recovery are currently being identified and being transitioned. Roles that have naturally fallen away due to attrition have not been replaced. Instead, the BTA has looked at employees who have the natural capacity to take on more and have consolidated those roles creating further headcount reductions and organisational efficiencies.

The organisational headcount currently sits at 38, not including replacement vacancies of which 90 per cent are Bermudian employees. There is a strategic right-sizing exercise currently underway that will see the numbers shift further. In the coming months, as more key positions are filled, and some jobs are merged, the organisation will finalise its right sizing for the tourism recovery.

The retooling must be precise and targeted because every dollar will count, and the global tourism marketplace will be aggressively competitive as we all vie for the same visitor spend.

As of March 18, the BTA projects 66 per cent of the country's pre-COVID-19 hotel inventory will have reopened. Fairmont Southampton, the Island's largest hotel, has been closed for renovations and that property makes up most of the gap in lost rooms. That said, Bermuda is poised to gain competitively in new hotel inventory through the government's fiscal year.

In addition to rooms that the Island did not have before the pandemic, the spectacular St. Regis Resort in St. George's is due to open on May 22, 2021, with 121 hotel rooms and suites, a golf course, and a spa. Not far behind is the refurbished housing product on Wharf South Shore is scheduled to open as a new hotel property in the second half of this year bringing an additional 50 to 70 hotel rooms into play to participate in the tourism recovery. The Bermudiana Beach Resort will be a Hilton Tapestry. This gives the Island a balanced product offering of new high-end hotel inventory as well as options at a mid-price tier.

All in, these 190 rooms equate to new jobs for our community including career pathways in the casino for the first time. St. Regis plans to open a casino after completing its qualification process with the Bermuda Gaming Commission. Long before those hotel rooms are opened, the BTA has been busy at

work filling them. As mentioned previously, there have been learnings from last fall that revealed where the pivot points of opportunity are and how to leverage them successfully with prudent investment for the coming year.

The first pivot point is the trend towards the higher income earning visitor. In the lead-up to Bermuda's commercial air corridors reopening to regular traffic, the Bermuda Tourism Authority believes that high net worth travellers will be the first to seek leisure trips once it is deemed safe to do so. The jet-setters, as the audience is known in the National Tourism Plan, put Bermuda right at the top of their consideration list.

Exit survey data from July through December 2020 clearly shows a larger than normal share of air visitors with annual household income above \$250,000 a year, which, on its face is not unexpected. However, the surprise was travellers with an income above \$500,000 per year going from 7.5 per cent of total leisure visitors to 14 per cent.

With fewer airlines seats flying in to Bermuda and fewer hotel rooms available in 2021, high volume tourism will be slow to return. And while Bermuda is forced into a situation of lower visitor arrivals, it has tremendous opportunity to attract consumers who will spend more per person and stay longer. Between Rosewood Bermuda, The Loren, Azura and the soon opening St. Regis and other luxury properties around the Island, Bermuda has the hotel inventory to satisfy the expectations of this audience.

The BTA sales and marketing team has now recalibrated 2021 marketing activities to mine and convert these customers. The experience team is pivoting with luxury experience development at the same time so when these travellers arrive on Island they will find the kind of activity worthy of them opening their wallets.

Since the National Tourism Plan was rolled out in 2018, the BTA has focused the overall majority of its marketing efforts on four target market customer segments—active families, experienced enthusiasts, jetsetters and adventure seekers. Since the start of the recovery last summer, the BTA refined their approach and became hyperfocused on jetsetters and adventure seekers because, as was predicted and proved to be true, those were the consumers ready to get back to travel soonest.

As we head into the spring, the marketing team will be utilising its government grant to remain concentrated on jetsetters and adventure seekers. However, it is adding a new audience that did not appear in the National Tourism Plan. Data and travel sentiment surveys point to a high likelihood of multi-generational family travel. This is a new area of focus for Bermuda. It is at least partly made up of a travel segment called Golden Boomers. This is in the National Tourism Plan but was previously de-

emphasised as a focus area. Now it is back, but as an audience subset of multi-generational families.

Over the past year, through the family-separating pandemic, grandparents have not been able to spend much time with their grandchildren. And now they are among the first to be vaccinated, with the all-clear from scientists that it is safe to be with their grandchildren again. As spring and summer approach and the children are out of school, in many cases virtual school, a surge in multi-generational travel is foreseeable. The children, their parents and their parents' parents all on holiday together, all desperately want to be someplace other than home, because that is exactly where they have been every day for the past year. Bermuda provides the perfect holiday to support this audience due to our proximity to top markets and the portfolio of properties that can serve this audience with expanded rooms and villas.

During the pandemic commercial airlines were forced to become very nimble in their scheduled planning in order to ensure that their losses were minimised, making changes in schedules sometimes within 30 days. This trend continues into 2021 as travel demand out of our major source markets of the United States, Canada and the UK remain unstable. While it is difficult to predict what Bermuda's full year of air capacity will look like, it is likely that the number of seats flying to Bermuda will be about half of what it was in 2019.

Airlines remain eager to find routes that will be successful for them in this climate. So Bermuda has the opportunity to secure all of its pre-COVID-19 scheduled service as soon as that travel demand returns. As you know, this year it is expected that Bermuda will once again have service from all of its usual gateway cities with the addition of more frequent service from Charlotte, and London's service from Heathrow, both of which facilitate better connections for visitors.

The marketing resources for both of these routes is planned for the upcoming budget year, including \$900,000 in the United Kingdom where the BTA is engaging a new agency partner to assist Bermuda in creating awareness there and across Europe. Meanwhile, the BTA continues to work closely with its partners at the Bermuda Airport Authority and the Ministry of Transport to maximise air service opportunities for Bermuda.

Many cruise lines have cancelled their scheduled calls through the end of May 2021. The CDC requires cruise lines and ports to submit COVID-19 health plans before allowing them to sail from US ports and almost all Bermuda's calls come from US ports. To date, none of the US ports serving Bermuda have completed this process.

When cruise calls return to Bermuda, it is expected that most cruise lines will put a cap on passenger capacity of about 50 per cent in order to mitigate risk. The BTA continues to work with its partners

at the Ministry of Transport to plan for the safe return of cruise visitors to our shores. The Ministry of Transport is already in talks with cruise partners about innovative restart plans that the BTA supports. When cruise visitors return, the goal will be to ensure they have experiences and activities to stimulate spending on Island, there are many entrepreneurs in the tourism chain that rely on this segment of visitor for their livelihoods.

The BTA's marketing plan will include focus on the East Coast with emphasis on the tri-state area by increasing awareness through digital campaigns, impactful public relations outreach and promotions with messaging directed towards these audiences. The BTA are working closely with our agencies in defining our campaigns to speak to our targets and to schedule our efforts as travel barriers begin to open up. Since the planning cycle for our season is now, we must be ready with "open for business" messaging so we do not lose our momentum as we approach summer. The Government understands the need for well-suited safety protocols that strike the right balance of a reopened tourism economy and a safe community.

Public Relations will continue to play an important role in magnifying our destination by working with high-profile publications and media outlets to support all of our sales and marketing efforts. This will include defining a strategic Influencer Programme to assist the BTA in reaching niche audiences that are aligned with [our] marketing campaigns. All social channels will be fully activated with key messaging and imagery to also drive awareness of the destination, including the Island's track record on safety.

Safe Travels is a programme created during the pandemic by the World Travel & Tourism Council [WTTC] to allow travellers to recognise governments, destinations, and companies around the world who have adopted the Safe Travels' health and hygiene global standardised protocols so consumers can experience safe travels. These protocols take into account WHO and CDC guidelines which are the standard for COVID-19 safety worldwide. As Bermuda earned the WTTC Safe Travels Stamp as a destination on August 19<sup>th</sup> last year, it also allowed the Bermuda Tourism Authority to act as ambassadors for WTTC to roll the stamp programme to local tourism businesses, directly and indirectly. To date the BTA has successfully approved 51 businesses who demonstrate their compliance with the WTTC global protocols.

Due to the volume of international visitors Bermuda attracts and the global reach in our marketing efforts, aligning the destination with an internationally recognised and globally trusted organisation was prudent. Bermuda is well positioned to offer confidence in this area as we have been a model destination in overall COVID-19 management. This would be one of the ways the Island has positioned itself to receive more visitors and restore confidence in travel.

In the upcoming budget year, resources will be dedicated to a local campaign with the aim of meeting critical mass of tourism businesses to continue to reassure visitors that Bermuda is safer. By using a model, already approved by businesses, the BTA will market this campaign via the use of video and photo assets for display in the various local channels to create awareness and demand.

Persons worldwide continue to seek destinations that make them feel confident to travel. Bermuda is well positioned to meet this desire. This stamp and its commitment throughout the industry will offer Bermuda the opportunity to safely bring back the tourism industry and allow our residents to get back to work.

On the job front, the BTA piloted a Learn to Earn (Waiter Server) Programme which launched in January last year; a direct response to an industry needs assessment conducted by PricewaterhouseCoopers. This initiative was enthusiastically supported by six industry restaurant partners: the Yellowfin Group, Take Five, Harbourside Holdings, Island Restaurant Group, Harry's and Huckleberry's restaurants in partnership with the Bermuda College, the Tomasz Tabor Memorial, the Department of Workforce Development and the Bermuda Tourism Authority.

The idea behind the two-cohort programme was to find dynamic, energetic individuals who had a genuine interest in a career in hospitality, to enter a programme which would allow them a robust training framework. This programme concept has been a catalyst for other Learn to Earn training opportunities to be launched by the Department of Workforce Development. With an allocation from the BTA grant, there will continue to be opportunities to refine and offer future workforce readiness initiatives, including working with new hotel product and the first-ever casino expected to open during this year.

Budget allocated to sales and marketing for this upcoming year will include a full audit and revamp of [www.GoToBermuda.com](http://www.GoToBermuda.com), bringing to the forefront new imagery, video and storytelling to enhance the Island's experiences and hotel product. The user experience will be streamlined so we can drive more conversions to our hotels and highlight our destination.

As Bermuda continues to prove successful with its CDC travel risk ratings, we anticipate group business to return with the properties that can accommodate this travel segment. Group Sales are long-lead opportunities, and we are seeing an uptick of new and repeat business in the third and fourth quarters, and continued growth primarily in 2022/23.

On the social side of group sales, travel data supports focusing on weddings, honeymoons, and babymoons, all of which have been either postponed or previously cancelled due to the pandemic. The BTA sees demand in these categories and are preparing to launch our "I DO ISLAND" campaign which reflects all the unique bespoke events in Bermuda. The Minis-

tries of Health and National Security are working with the BTA to find the right balance of protocols to allow Bermuda to capitalise on this opportunity.

In the meantime, the marketing team in leisure sales is investing now in creating campaigns and promotions with top tier tour operators, OTAs and wholesalers through educational webinars and FAMS, which are familiarisation trips, to further entice travel to our destination. This includes attending trade shows both in person and virtually to keep Bermuda on top of the mind to increase awareness of our destination.

Among the lessons learned by the BTA from last fall, was sport is probably the biggest. The world's sporting circuits, particularly professional organisations, were desperate to get back onto their playing fields in the safest manner possible. Bermuda provided that safe haven, putting sports tourism right at the forefront of Bermuda's tourism recovery.

The PGA TOUR decided the Bermuda Championship at Port Royal Golf course last October was the proper venue for its first golf tour event with live spectators since the onset of the pandemic. The funds preserved by the BTA, despite severe budget injury, gave the destination an ideal platform for telling the world the Island was open for business.

In the meantime, professional sports organisers of sailing's Bermuda Gold Cup and World Match Racing Tour and rugby's World Tens Series showed similar confidence in Bermuda for their events, holding them in a locale where they were satisfied their athletes and their fans would be safe from the pandemic.

End of year data shows there were 784 air visitors who marked themselves down as visiting Bermuda for sports in October 2020. That is almost a 30 per cent increase over the prior October—an incredible feat considering the depressed nature of travel around the world at that time.

Now the effort is to build on this momentum in 2021 investing in the return of key sporting events and the recruitment of new sports tourism business. On the recruitment front, the Cabinet Office has convened a sports task force to simplify the process for sports organisers seeking the necessary approvals from the Ministries of Health and National Security. This is particularly important for the non-professional sporting events which often do not have the resources for an elaborately detailed operational plan, but seek the same blanket of health safety around their events.

In 2021 Bermuda will host the World Triathlon Sprint & Relay Championships and the Bermuda Championship in the upcoming budget year. New events are in the cards for the BTA as well, particularly in sailing: IOD Worlds in September, International 505 World Championship in October and Clipper Round the World Race in December.

SailGP will be a pinnacle of the sailing events. At around the time of the last fall's sporting events, the BTA was approached about replacing San Francisco

as the venue for the start of the professional sailing league's second season. Like the Bermuda Championship in October, the sailing race in Bermuda will be broadcast around the world on April 24<sup>th</sup> and 25<sup>th</sup> of this year. The event requires a \$750,000 investment spread over two budget years and the anticipated return on investment forecast for the country is \$8 million, but this is a moving target based on travel protocols, gathering size limits and other pandemic-related factors.

There are SailGP key community engagement components as well, which will include our community sailing clubs, our young people and our heritage—particularly as it relates to the country's rich history of Black sailors. This community engagement does not necessarily show up in the bottom-line number, but it is no less important. And, Mr. Chairman, I must say that the BTA has been urged to make sure that this is a part of this event.

We anticipate that the hosting a race of these world-class, high-speed catamarans will be a draw for attracting superyachts. This sector of tourism showed signs of life even in a majorly depressed 2020. Forty-six superyachts arrived on the Island during the year, ushering in the country's first superyacht charter guests—a benefit of January's legislation and a tangible area of growth for Bermuda going forward as travellers fly to the Island to claim a vacation experience on board a luxury yacht. Since the start of this year, the BTA has been working to partner with another superyacht destination to [amplify] our collective marketing reach. It is an innovative pivot that will result in both partners spending less but getting more exposure. It is an idea purpose-built for the ingenuity needed in this tourism recovery. Investment in this partnership will be part of the upcoming budget year with details revealed by the BTA later this month.

The longer stay was another key data point from the past year. On average last year, leisure visitors stayed three days longer than they did in 2019—about eight days as opposed to five. Meantime, an Immigration policy pivot, which the BTA and the Bermuda Business Development Agency dubbed the Work from Bermuda Certificate, turned out to be a green shoot for tourism. Leading on the marketing of the policy to attract digital nomads, the BTA invested about \$300,000 and saw a media value return of about \$3 million, not to mention the hundreds of new residents who have arrived on our shores as a result.

In the upcoming budget year, the BTA has its sights set on targeting this audience to spend money in the tourism economy to help fuel the recovery. Although these certificate holders are residents their spending behaviours will mirror visitors in a lot of ways. They are also properly positioned to inspire the visits of friends and family, and an effort to seize that opportunity is also underway, especially as travel sentiment continues to rise.

As the world moved through various areas of restrictions due to the pandemic, golf emerged as one of the most popular, often-played sports. At the same time, BTA digital advertising that was golf-focused, routinely was the best performing among all ad types. With more golf courses per square mile than anywhere in the world, a new golf course due to open this spring in St. George's, and home to the PGA Tour Bermuda Championship, Bermuda is well positioned to get the attention of golf travellers.

In 2021, new budget investment will go into pairing room nights and rounds of golf and making them easily bookable online. Additionally, funds are being allocated for the first-ever American Junior Golf Association event in December and the first-ever Bermuda Black Golf Summit and Championship to take place immediately after the Bermuda Championship. The latter will be an event open to everyone who cares about diversity in sports and the continuation of a key partnership between *PGA Magazine* and the Bermuda Tourism Authority.

While the BTA will need to invest in this start-up event, it is likely that the investment needed will be relatively small because a number of companies and international brands say they want to associate themselves with the event by becoming a sponsor.

Mr. Chairman, the pivot strategy to recover Bermuda's tourism industry is a very detailed endeavour. However, I will summarise it for the benefit of the listening audience and Honourable Members in these five strategic priorities from the Bermuda Tourism Authority:

1. Continue targeted recovery plan for Bermuda's tourism industry to inject the local economy with outside visitor spending.
2. Focus on target visitors more likely to return to traveling first (adventure seekers, jetsetters, multi-generational families), and monitor for reintroduction of other segments.
3. Make Bermuda easier to experience by stimulating and supporting continued innovations post-crisis.
4. Re-engage stakeholders via the National Tourism Plan to rebuild and reimagine business services safely and responsibly for the benefit of Bermuda's visitors and community alike.
5. Refine teams and groups strategies. Focus on sports and social groups in the short term while keeping focus on booking corporate business into 2022.

Mr. Chairman, it is on these five areas that the bulk of the government grant which the Bermuda Tourism Authority is receiving from this Honourable House, should this budget be approved, of \$21.5 million will be used.

Mr. Chairman, this grant was submitted by the Bermuda Tourism Authority and I would like to thank the team of the Bermuda Tourism Authority for their stellar work over the past year. But I would also like to

say, Mr. Chairman, that I also thank Members of this Honourable House who have recently joined the Bermuda Tourism Authority Board in addition, Mr. Chairman, are two, the entire Board for their work and efforts during this year.

Hold on one second, if you would, Mr. Chairman.

**The Chairman:** Go right ahead, Mr. Premier.

For the listening audience we are continuing in the Committee of Supply for the further consideration of the Estimates of [Revenue and Expenditure] for the year 2021/22.

**Hon. E. David Burt:** Thank you, Mr. Chairman, I will briefly, if I may, staying on the same page of C-17, touch on the third major grant from the Cabinet Office budget, dealing on matters of economic development, and that is the grant to the Bermuda Business Development Agency.

#### **BERMUDA BUSINESS DEVELOPMENT AGENCY**

**Hon. E. David Burt:** Mr. Chairman, the 2021/22 budget estimate for the Bermuda Business Development Agency is \$3.6 million, which is a decrease of \$600,000 from last year's grant. The BDA is a public/private partnership supported by the Cabinet Office. The BDA's primary purpose is to facilitate active engagement between the government and the private sector to protect, sustain and grow Bermuda's economy.

The BDA's primary mission is to position Bermuda as a preferred international financial centre. The BDA carries out its mandate in collaboration with the government and private sector with the objective to sustain and grow Bermuda's economy. In 2020 the BDA had a direct role in assisting 20 companies across key industries incorporate in Bermuda. The BDA was instrumental in the Work from Bermuda Initiative and directly supported 166 applications.

The BDA worked with stakeholders in the Cabinet Office to progress 11 pieces of legislation and policies to underpin and advance growth of existing and new sectors. The BDA hosted 13 working groups with industry representatives to gather input on key focus areas and conducted two surveys with stakeholders to gather market intelligence and feedback in relation to the impact of COVID-19.

Mr. Chairman, the BDA continued to actively and aggressively promote Bermuda's reputation as a premier jurisdiction to potential new clients and markets across multiple industries. The BDA created and marketed two digital campaigns, Bermuda Central and the Work from Bermuda Certificate, generating a total of 3.9 million impressions, 2,142 engagements, and 131,000 video plays.

Mr. Chairman, the refreshed BDA website invited more than 22,000 visitors from key target mar-

kets and the BDA also issued 22 press releases on key initiatives with media coverage and titles such as *Reuters*, *The Wall Street Journal*, *The Times*, *NBCLX* and *Yahoo! Finance*.

Mr. Chairman, the BDA produced 15 webinars in partnership with a globally recognised tech partner and produced BDA's own virtual three-day conference Tech Week, with a total of 3,272 registrations from 59 countries. Additionally, the BDA sponsored and attended nine in-person conferences prior to COVID-19 and eight virtual conferences.

In 2021/22, the BDA will continue to promote, strengthen and protect Bermuda's economic platform and its reputation as a world-class jurisdiction, including the response to and recovery from COVID-19, sustain and expand existing business sectors and identify new growth sectors and facilitate stakeholder engagement.

The BDA will continue to pursue opportunities in key industries aligned with Bermuda's value proposition and anticipated future growth potential. These are risk insurance solutions, high net worth services, which are private clients and family offices, asset management, funds ILS and private equity, technology, including financial insurance technology, and infrastructure, including renewable energy, the blue economy, hotel investment, subsea cables and space satellites.

Mr. Chairman, with the call for action on climate change growing even louder and the opportunities surrounding green economic growth, the BDA is working to establish and promote the jurisdiction as the world's climate risk finance capital building on its natural catastrophe risk expertise.

The opportunity to further showcase Bermuda's commitment to environmental and sustainability as well as Bermuda's long history in this space, starting from 1620, provides an opportunity to once again confirm Bermuda as the natural choice to lead the world in this key and growing area.

Mr. Chairman, other initiatives currently in place include:

- Economic Investment Certificate and Residential Certificate Policy;
- work with the Ministry of Labour to market the new policy and utilise the BDA's concierge service;
- work from Bermuda's certificate, work with government and the BTA;
- wealth management identified as areas of growth from last year's budget;
- the BDA is supporting amendments to the Family Office Act which naturally feeds into the climate focus; International Business Week 2021;
- working with Association of Bermuda International Companies [ABIC], the Association of Bermuda Insurers and Reinsurers [ABIR], Bermuda International Long Term Reinsurers

and Insurers [BILTIR] to promote scholarships and career opportunities available to young people in Bermuda in the international business space

- Asia, continuing to work with the Government on making amendments to legislation that would support more business from Singapore and Hong Kong, specifically;
- Bloomberg TV and radio recently secured and completed interviews with the Premier to talk about the Bermuda's safety around COVID-19 and a focus on the FinTech industry as well as other significant areas that are critical to Bermuda's economic platform;
- Subsea cables continue to work with the Ministry of Home Affairs and the Regulatory Authority are marketing Bermuda as a strategic landing site for transit-cable networks; and
- Communication and marketing campaigns continue to provide constant resources and jurisdictional updates for an international and domestic audience.

Mr. Chairman, that concludes my presentation on Head 9, with the conclusion of the Bermuda Business Development [Agency]. I will now move on to the next Head in numerical order, which is Head 43. I am not going to pick favourites of any departments, but it is known, Mr. Chairman, this is my favourite.

And it is the Department of Information and Digital Technology, as, of course, I am an IT nerd at heart.

## HEAD 43— DIGITAL TECHNOLOGIES

**Hon. E. David Burt:** Mr. Chairman, it gives me great pleasure to present the budget for Head 43, the Department of Information and Digital Technologies, found on pages B-61 through B-64 of the Budget Book.

### Mission

**Hon. E. David Burt:** The Mission of the department is to provide Information and Digital services that streamline processes to facilitate the Government's strategic business objectives.

Mr. Chairman, the department seeks to fulfil its mandate by securing and maintaining its IT infrastructure that hosts applications that are used within government departments. IDT provides Governance and oversight to monitor and control the use of key systems. IDT will also provide analysis tools which will allow for data-driven decision-making. The department delivers and manages IT and Telecom services used by Government departments and the department will deliver an ePayment solution for the whole of government, and not just individual government departments, as well as a paperless solution for select government business processes.

Mr. Chairman, the Digital Electronic Identification (eID) methodology and plan is still on track to be delivered by mid-2021. IDT will identify, as appropriate, at least 20 per cent of current IT applications and systems which qualify for Cloud Services. IDT will also deliver automated self-service systems, and conduct training on IT systems to improve effectiveness and productivity. IDT will [deliver] and implement an IT Strategic Plan, the development of which is in progress. IDT in conjunction with Management Consulting Services [MCS] will be conducting departmental assessments to determine process improvement and what can and should be automated. Full digitisation and automation of the Bermuda Government is at the heart of this initiative.

### Expenditure Overview

**Hon. E. David Burt:** Mr. Chairman, the total current expenditure of the Department of Information and Digital Technologies, found on page B-61, is estimated to be \$7,932,000. This is an increase of \$918,000, or 13 per cent over the 2020/21 fiscal year. It is very important to note, Mr. Chairman, this was one of the few departments had an overall increase. Included in this funding increase are the transfers and funding of IT positions within other government departments outside of IDT known as Shadow IT.

Shadow IT positions are those IT-related posts that operate in, and give technical support to, government departments and do not fall under the direct remit of IDT. This transfer was done to centralise IT resources that were not fully utilised in various government departments, which will in turn enable IDT to enhance its IT service capabilities and to speed the progression of the digitisation of government.

Long story short, Mr. Chairman, some of these resources were not being used full time inside their departments and some of these posts have not been filled. The view was the government never creates additional posts without getting rid of one. The posts were transferred into IDT to fund these posts so that IDT can have more work to speed up the digitisation of the government of Bermuda.

Mr. Chairman, the Subjective Analysis of Current Account Estimates of the Department of Information and Digital Technologies is found on page B-62. The focus will be on the four line items with the greatest absolute change. Salaries, line item one, increased by \$640,000 or 15 per cent, due primarily to filling of eight vacant posts, which was approved by Cabinet in 2020. Additionally, four other vacant and funded posts will be filled. All of these positions are critical to the long-term operational success of the department, as well as to the government's information and digital strategies. They are also vital to the digitisation of our systems, for example, a paperless government.

Mr. Chairman, the most pressing recruitment is that of the Deputy Chief Information Officer. I am happy to report that recruitment for this post has already begun in earnest. This post will primarily be focused on IDT operations as well as assisting with strategic initiatives in the department.

Some of the other positions to be filled include:

- Two Assistant Network Engineers: One will focus on Unified Communications, the telephone system (which I will get to a little bit later) and one will focus on network operations. These two posts will significantly reduce the risk of a single point of failure for the government-wide system.
- IT Project Manager: Due to the multitude of IT projects IDT is working on, this post will bring project management and organisation to a very demanding area within IDT.
- Operations Analyst: This post is critical for the provision of technical support throughout government and will help reduce the amount of time for IT support to departments.
- Portals Administrator: We are upgrading our website in order to achieve the digitisation of our systems and this additional resource will provide much needed support to the Portals team.
- Business Analyst: This post will be heavily involved in analysing IT projects and providing documentation for project scope and project timeframes. This will enable IDT to better manage and deliver on its wide-ranging IT projects in the future.
- Three additional Analysts: One for Business Process; one as a Service Analyst and one as a Support Analyst. All of these posts are critical to the daily operational effectiveness of the department. The funding and filling of these posts will enhance services to other departments, while reducing service times and more importantly reducing operational risks.

And Mr. Chairman, before I move on, it is just important to note that I want to bear repeating so that Members of the listening public can understand and also Honourable Members, that as we recognise how vital IT is to the Government's success, this Government has ensured that we funded the priorities, and IT is certainly a priority. It is a department that especially over this last year has gone above and beyond and they have been short-staffed for a long time, but now they are coming up to strength so that they can focus on not just Band-Aids, but also developing government services in a better way.

Mr. Chairman, the budget for Communications, line item five, increased by \$308,000 or 23 per cent. This increase is mainly attributed to the transfer of \$300,000 from Works and Engineering for IDT to control and pay for the Bermuda Government's tele-

phone bills. In order to realign our communication systems with the latest technology, such as the Cisco Unified Communications System, it was deemed essential to transfer the Voice Services (the telephone system) and support from Works and Engineering to IDT. So, historically, the phone system, Mr. Chairman, was always maintained by Public Works.

**The Chairman:** Thank you for that clarity, Premier.

**Hon. E. David Burt:** No problem and thank you for speaking as I took a sip so I could continue talking.

The services and support were actually transferred but, the payment of the Government phone bills remained with Works and Engineering. Works and Engineering were able to identify what the amount of these Government phone bills would be and IDT was able to budget for it in the 2021/22 budget.

Mr. Chairman, the budget for Rentals, line item 7, decreased by \$65,000 or 8 per cent, largely due to a reduction in rental accommodations. Rent for office space has decreased owing to IDT vacating the top floor at Channel House in St David's and consolidating all staff to the larger lower floor.

Mr. Chairman, the budget for Insurance, line item eight, increased by \$37,000, or 8 per cent. This is due in part to an increase in the IDT Software Maintenance Budget in order to pay for licensing for Software Applications. Our yearly software maintenance licensing is classified under insurance.

### CAPITAL EXPENDITURE

**Hon. E. David Burt:** Mr. Chairman, the Capital Acquisition for the Department of Information and Digital Technologies is found on page C-10, and makes provision for new capital expenditure in the amount of \$3,575,000, which is the same as the capital budget for 2020/21. This funding will be used for the following initiatives:

- upgrading to newer software licences;
- enhanced IT security systems for cybersecurity;
- digitisation projects in the government strategic reform initiative, such as a paperless government and eID;
- the continued implementation a new telephone system;
- development of new digitised business systems; and
- increased server capacity to accommodate growth.

### MANPOWER

**Hon. E. David Burt:** Mr. Chairman, the Manpower for the Department of Digital and Information Technologies, shown on page B-62 increased from 43 full-time equivalents in 2020/21 to 51 in 2021/22. Presently,

there are eight newly funded vacant positions as approved by Cabinet and four funded vacant posts which where recruitment is already underway. The Department is working with the new Department of Employee and Organisation Development (which the Honourable Minister for the Cabinet Office gave his brief on earlier) to quickly fill these additional eight positions to increase our operational capabilities and to meet our mandate.

Mr. Chairman, the benefit of transferring the Shadow IT posts will enable us to better manage government's IT resources and consequently, allow for more progress in meeting the department's goals. For example, it will enable the department to decrease service response times, improve technical support where needed and provide additional resources where there are risks of single points of failure by having additional persons in critical positions.

Benefits will also supplement project management resources and oversight with respect to government-wide IT projects. Additional staff will also allow IDT to position themselves to support a future digital government.

Just [for the Members knowledge], Mr. Chairman, when we are speaking about the matter of Shadow IT posts, I am just going to outline the Shadow IT posts that have been transferred. The technical officers under the Ministry have done a great job of anticipating questions which may come from Members of the Opposition.

The Shadow IT posts transferred are as follows:

- From Transport Control—Operations Support Officer;
- From the Accountant General—Technical Support Administrator;
- From the Ministry of Education—Health Desk Administrator and Relief Assistant Technical Support;
- From the Accountant General, again—Support Officer; and
- From Immigration—Business Systems Officer.

### OUTPUT MEASURES

**Hon. E. David Burt:** The Department of Information and Digital Technologies output measures are found on page B-63 and B-64 of the Budget Book. Selected indicators under each business unit are outlined as follows:

#### Business Unit 53030: Device Support

**Hon. E. David Burt:** The Indicator was: Resolve and repair service tickets within Service Level Targets. The target for the last fiscal year was 85 per cent of tickets forecasted to be completed within Service Level Target. And the Actual Outcome for the previous year was the same, 85 per cent within Service Level

Target. This was achieved primarily to recruitment in this section, which has now been fully staffed. The target for this upcoming fiscal year is 85 per cent, due in part by ensuring the department remains fully staffed and the implementation of a modernised device management system and continued upgrades to government desktop computers.

#### **Business Unit 53035: Network Support**

**Hon. E. David Burt:** Network monitoring, resolve, repair and service tickets within Service Level Targets—85 per cent was forecasted, 85 per cent was achieved, and 85 per cent is the target for the following year.

#### **Business Unit 53040: Service Support**

**Hon. E. David Burt:** Manage tickets and resolve account administration within Service Level Targets. Again, Mr. Chairman, in this current fiscal year 95 per cent was forecasted, and 95 per cent was achieved last year because of the staffing. And also, the target for the upcoming year is 95 per cent as well. And this is going to be aided by the continued roll out of self-service online tools, which I will touch on shortly.

#### **Business Unit 53050: Digital Services**

**Hon. E. David Burt:** The Indicator is: Consulting, advising, and public satisfaction with availability use and selection of Government online services. The target 2020/21 was 80 per cent forecasted, the outcome that was achieved in the previous fiscal year was 80 per cent, and the target for 2021/22 has been increased to 85 per cent due in part to the addition of two business process analysts and progress on paperless, eID and ePayment initiatives, which have been ongoing.

#### **Business Unit 53060: Business Systems Support**

**Hon. E. David Burt:** The Indicator is: Conducting monthly Service Level Review meetings with key departments. The target was 80 per cent, the achieved this year was 80 per cent and the target for next year is also 80 per cent.

#### **Business Unit 53090: Security**

**Hon. E. David Burt:** Disaster Recovery exercises planned and executed; [and] the amount of servers checked on a monthly basis. The target was 50 per cent, and the forecast is that we will meet the 50 per cent. And the target, again, next year is for 50 per cent, due in part to the focus of the Accountant General's department in developing and implementing the E1 system. The target for 2021/22 is 50 per cent, as all E1 upgrades have been completed and working

along with the Accountant General, they will focus on executing a full Disaster Recovery exercise.

#### **PLANS FOR THE UPCOMING YEAR**

**Hon. E. David Burt:** And I sincerely hope that Members opposite are listening because there is some very good information in this.

The Department of—

**The Chairman:** Just for one minute, Premier, for clarity, where can that be found? Or are you reading from your brief?

**Hon. E. David Burt:** I am reading from my brief. This is in support, so I would go back to the original page, but this is in support of the monies which have been assessed. So, I am now talking about the plans for the upcoming year for IDT for the money that we are asking to be assigned.

Can I proceed, Mr. Chairman?

**The Chairman:** You may proceed, Premier.

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

The Department of Information and Digital Technologies will continue with the development of its core services in the upcoming year by focusing on seven key strategic areas:

1. Infrastructure Stability and Secure network. Work in this area will progress by enhancing the Government departments' network inter-building communications performance by continuing to double bandwidth requirements. This is anticipated to continue over the next two to three years. This will impact more than 140 locations across the Island. IDT will also work with the Ministry of National Security to develop and implement their Cybersecurity Strategy as the Bermuda Government enhances their online presence and looks to automate their processes. And, of course, Mr. Chairman, you will note in the Capital line items, which are on page C-10, an additional significant amount of money has been put and earmarked for government cybersecurity upgrades, which is important in this day and age.

As the Bermuda Government moves forward with improving its presence online, this will enable us to better interact with our citizens and allow businesses to interact more efficiently with our government. It will be paramount to have cybersecurity systems and monitoring in place to identify vulnerabilities, and threats to our IT systems to avoid any compromise. Further, IDT will continue to roll out self-service systems which empower users to make their own changes, such as account password management, where users can reset their own passwords without contacting IDT and having to wait for assistance.

There will be improvements to the overall network security with a state-of-the-art artificial intelli-

gence [AI] security monitoring and management system. The department will continue to roll out its new state-of-the-art phone system, which I will discuss a little bit more later, and this will replace the aged and current phone systems with the introduction of a full collaboration suite of features that will enhance the productivity for public officers to working in-office and remotely.

And important thing to note, Mr. Chairman, is that we cannot install a new phone system which is all going to be based on the upgraded network without making sure that we upgrade the network first. So, you refer to the two- to three-year project of doubling the bandwidth throughout all government departments and the entire 140 different locations where government offices are—140 different locations, Mr. Chairman. IDT will continue to focus on leveraging the use of local cloud services to facilitate the delivery of specific applications with far less technical complexity and reduce the need to rely upon strained IDT engineering resources; thereby allowing IDT to focus more on business value and less on complex IT engineering builds. This change in IDT strategy will facilitate efficiencies in IT as we move towards digital automation. Sending services to a secure platform will allow for increased flexibility when accessing and retrieving information.

2. Budget Efficiency Initiative: Work is continuing on streamlining specific core IT services to achieve greater economy of scale through ongoing renegotiation of vendor service agreements, leveraging previous services or product agreements across Government, and the use of more common government systems. Mr. Chairman, I am focusing on the seven key priority areas—that was the second. I will now move on to the third.

**The Chairman:** One minute, Premier. I think, for the listening audience and for Honourable Members, in one minute, Honourable Member Scott Pearman of constituency 22 will become the Chair.

**Hon. E. David Burt:** Thank you, Mr. Chairman. If I may say, you have done a stellar job in your time in the Chair. Moving on to the third item:

3. IT Governance: An IT Governance Committee has been formed. This Committee will develop policies which will result in IDT overseeing all IT projects and acquisitions. This will ensure that IT purchases and the business needs are properly aligned; thereby creating greater efficiencies within Government and strengthening Government's return on investment, as well as ensuring the proper fit between technology and business operations. This is important to ensure a unified system of procurement of IT products such as the latest software, hardware and services. This will enable us to have more common systems throughout government thus avoiding fragmented and redundant individual information systems.

4. ePayment: In moving towards a digitised Government for the people of Bermuda, IDT is working closely with the Government Reform Committee, and the Premier's Office of FinTech, to identify ideal candidates for automation. IDT will continue working in conjunction with Education, Youth & Sport and the Accountant General's cash desk on a standardised ePayment building block.

This will create a digital payment tool box, so the most appropriate application and gateway option can be selected for the business function concerned. For example, if a person renews their passport, they will be able to pay the fee online rather than physically having to do so at the Department of Immigration. And just by way of information, Mr. Chairman, the vision is to replicate the functionality of the Cashier's Office on the ground floor of the Government's Administration Building online so that all payments which are currently done there can be done from anywhere in the Island.

So, an individual can just go ahead and pay their funds and monies wherever they are and they can show proof of that payment to whatever government department they are in without having to leave the government department, go to the Cashier's, then bring a receipt and take it back. And I am pleased with progress of that initiative that has been taking place over the last year.

**The Chairman:** One minute, Mr. Premier. I am now handing over the Chair to Honourable Member Scott Pearman.

*[Mr. Scott Pearman, Chairman]*

**The Chairman:** Thank you, MP Famous for the Chair.

I am going to take over the Chair. For the benefit of the listening audience we are in the Committee of Supply for further consideration of the Estimates of Revenue and Expenditure for the year 2021/22. And the Honourable Premier is now addressing the House in relation to Head 43 under Cabinet Office departments.

Please continue when you are ready, Premier.

**Hon. E. David Burt:** Thank you, Mr. Chairman, and good afternoon to you.

5. Electronic Identification (eID): In addition to ePayments, IDT has focused on the delivery of a unique identifier, or eID. An eID is essentially a single-user identification to be used by the citizens of Bermuda that is linked to various Government business systems across numerous databases. The development phase will be complete by the end of 2<sup>nd</sup> quarter of this financial year with a live demonstration of the technology involving Government, local utilities, a local bank and local law firms, and will be coordinated with the Bermuda Monetary Authority to ensure that the approach satisfies regulatory requirements. As

Bermuda moves towards more digital asset transactions, electronic identification and verification will be of utmost importance for security purposes.

6. Telecom cost savings: A telecommunications rationalisation exercise was performed and identified stand-alone telephone systems to migrate and consolidate onto the new IDT centralised phone system. As IDT moves forward with plans introducing a new phone system, it is anticipated that some of the identified fragmented budget will be used to fund this project and in doing so, will reduce the Government's overall telecom operational budget requirements.

There are several stand-alone telephone systems currently in government departments across the Island, and a report by the Telecommunications and Reconciliation Committee in 2019 revealed the inefficiencies with distributed telecommunication systems. By adding the current spend of the various distributed telecom systems, the cost currently stands at—brace yourself, Mr. Chairman—\$8.8 million a year. By bringing systems together, we will reduce costs significantly by 65 per cent.

Yes, Mr. Chairman, you heard correctly—almost \$9 million a year in total telecom spend. But with the efficiency changes that this Government is making, that will be reduced to about \$3 million per year, a savings of just under \$6 million annually that will be realised when the new systems are fully implemented.

The commentary that reports sit on the shelf, which was made by the Opposition Leader last week in his Budget Reply, is false. And this is proof positive that this Government has tackled inefficiency in Government and we will continue to do so. This new phone system is also a step in the overall initiative to digitise the Government. Some of the benefits are: the ability to support phones remotely; users will be able to work from home; and their phone number will be available on their laptop or wherever they are, thus reducing mobile phone charges; they will also have the ability to make and receive business calls on their laptops remotely, again, reducing mobile phone charges.

Another feature is corporate directory lookup from our phones, and all calls, Mr. Chairman, will be end-to-end encrypted thus ensuring security within government communications.

7. The seventh objective is the continuing of online services and the provision of online services to the people of Bermuda. The IDT Portal Team will continue to digitise and create electronic forms. The Portal Team did a fantastic job in converting paper forms to electronic-based forms on the government website during the COVID-19 pandemic.

The result of this conversion allowed for quicker access to the documents that needed to be completed for government services. If members would go to [forms.gov.bm](https://forms.gov.bm) they can see the new online services being powered by this team over the last year,

whether it be the one-year Work from Bermuda Application, online Liquor Licence and Re-licence Applications, or the form announced earlier today by the Honourable Attorney General for the Expungement of Cannabis Convictions—this Government is making progress on transforming government services and moving them online.

Mr. Chairman, in last year's Budget Brief, it was stated that in 2019/20 IDT underwent a comprehensive review by Management Consulting Services to ensure proper alignment [of resources] and structure that would meet Government's ever-growing IT demands. Thus, it is necessary to increase IDT's staff with the posts mentioned earlier in this brief. As Government looks to digitise and automate, it is necessary for IDT to be in a position to support the future state. IDT will move ahead with modernising of the department as indicated in last year's Budget Brief.

Mr. Chairman, the Government successfully recruited a substantive Chief Information Officer (CIO), Mr. Carl Daron Raynor, who has been with IDT since October 2020. He is currently leading the refinement of the Government's Digital strategy. The CIO—a change which was made by this Government—regularly attends the Public Sector Executive meetings to assist in providing strategic advice to future planning at the senior executive level of the public service. Attendance at these meetings also allows the CIO to gain insight into the various activities [and] departments throughout Government.

Mr. Chairman, I would like to take this opportunity to offer my thanks to the former acting CIO, Mr. Shawn Lightbourne, who acted in this capacity for over two years in the absence of a substantive CIO. I hasten to also thank the entire Information and Digital Technologies staff for the excellent service that they continue to provide the Bermuda Government, especially during pandemic-induced challenges. They have done a remarkable job over the last year serving our community and I commend them for their sterling efforts.

As you know, the 2020/21 fiscal year—or last year—has been very challenging for everyone, including IDT. I would like to further commend IDT for their swift action regarding the issues around the patch crisis last year. And also, I would like to thank IDT for establishing communications via Webex and other technologies at the end of the last fiscal year when the pandemic started to make sure that we could turn the Government into a completely remote service. The reason that we are able to work remotely today is due to their quick action in standing up the remote platforms that enable the Government to continue to function.

Mr. Chairman, as I close this section, I think that it is important to note that this government continues to make significant investments into technology, and I have no doubt that these investments will yield significant productivity improvements in future years,

many of which I have outlined in my statement just now.

Thank you, Mr. Chairman. This concludes my budget presentation for Head 43.

If I may, I would like to now move on to my budget presentation for Head 51, which is the Department of Communications.

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

**Hon. E. David Burt:** I can hear you.

Okay, I will proceed.

## HEAD 51—DEPARTMENT OF COMMUNICATIONS

**Hon. E. David Burt:** Mr. Chairman, it gives me great pleasure to present the budget for Head 51, The Department of Communications, found on pages B-65 to B-68 of the Budget Book.

### MISSION

**Hon. E. David Burt:** The mission of the Department of Communications is to be the trusted source of information for Bermuda.

### EXPENDITURE OVERVIEW

**Hon. E. David Burt:** Mr. Chairman, on page B-65 there is a General Summary for the department. The total current expenditure is estimated to be \$2,890,000 for 2021/22. This is an increase in the proposed expenditure over the 2020/21 budget of \$126,000, or 5 per cent.

The advertising and promotion budget has increased by \$204,000, or 100 per cent, to \$409,000. These funds have been transferred from communications budgets across all government departments to better centralise advertising spending to get larger volume discounts enabling the Government to reach more residents with its advertising. The budget allocation will support the increased promotion and advertising needed to assist ministries for major initiatives that they are progressing; the COVID-19 vaccination programme; Public Education Reform; and the Government's economic stimulus projects.

The allocated funds will be distributed amongst traditional media such as radio and print and other media vendors and will also cover the advertising costs [for new] and emerging media on social media and online platforms.

Repairs and maintenance has decreased by \$36,000, or 72 per cent, to \$14,000. This is the result of the removal of an older outdated photocopier and the introduction of a new model to create efficiencies and savings. This reduction also represents a streamlining of the purchase of office supplies.

Equipment (minor capital) has reduced by \$50,000, or 89 per cent, to \$6,000.

## MANPOWER

**Hon. E. David Burt:** Mr. Chairman, I will start by proudly saying that the Department of Communications has an all Bermudian staff, all of whom work tirelessly to achieve the department's mission.

There has been a change in the number of staff in the department. In the current fiscal year 2020/21 there were 26 full-time funded employee posts. And in 2021/22, we anticipate that number to be increased by one employee.

Mr. Chairman, the sections within the department are comprised of the following:

- Administration;
- Communications;
- CITV;
- Creative Services; and
- Telephone Customer Service Representatives, who are the Government telephone operators. So that means, Mr. Chairman, when you dial 295-5151 you speak to a representative from the Department of Communications.

Mr. Chairman, there are currently three posts to be filled within the department. These are two communications officers within the Communications section; and one customer service representative. I can advise that the recruitment process for these positions has started and it is anticipated that the posts will be filled in the coming months. This recruitment will provide critical resources for the department to achieve its mission, particularly during these demanding times.

Mr. Chairman, as we discuss staff I must pause to highlight the functions of the various sections within the department.

They are as follows: the communications section.

### Communications Section

**Hon. E. David Burt:** The drivers of media engagement are the Communications team, who continue to provide outstanding service.

Their aim is to ensure that the community is well informed—

*[Crosstalk; Feedback]*

**Hon. E. David Burt:** —about Government services, programmes, communications—

**The Chairman:** Minister Furbert, would you please mute your microphone?

**Hon. E. David Burt:** All right, I will try to continue.

**The Chairman:** Please continue, Premier.

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

The Communications section's aim is to ensure that the community is well informed about government services, programmes, policies and legislative initiatives.

*[Crosstalk; Feedback]*

**Hon. E. David Burt:** The Communications Officers provide the scripts that help to shape the voice of Government, which in turn, determines how the public sees and hears the information that is shared.

Communications Officers draft Ministers' speeches, write and issue press releases and media statements. They create and implement communications plans, write ads and video scripts and also provide content for the Government's social media platforms.

Within the Public Service, they make sure Public Officers know and understand what is happening around government. This provides employees with knowledge and understanding about the organisation in which they work which further enhances employee engagement.

Currently the section comprises of one Assistant Director of Communications, three Communications Officers and one Internal Communications Officer.

Mr. Chairman, like other ministries and departments, this year has been one of the most challenging and testing times for the Department of Communications.

I should note that the objective of communicating during a crisis is to get clear and accurate information to as many people, as quickly as possible. Very early in the COVID-19 crisis the Department of Communications moved to quickly educate the public about the virus.

Our Communications Officers took the lead in spearheading the messaging for the coronavirus, providing basic information about hand hygiene etiquette, business closures, and shelter-in-place guidelines. They did this by disseminating comprehensive details about what COVID-19 is and how to stop the spread.

Working closely with the Ministry of Health and other key ministries at the forefront of the pandemic, they developed guidance for industries so they, in turn, could take action to help prevent the spread of the virus in their respective establishments.

Mr. Chairman, before the pandemic, Bermudians were increasingly turning first to social media and online news sources for their information. As one would appreciate, this method of getting information grew exponentially during the pandemic.

To satisfy the public's very healthy appetite for information about COVID-19 during the pandemic, under the umbrella of the Communications Section, the department did the following:

- Developed the gov.bm/coronavirus portal page, which we know links from coronavirus at www.gov.bm;
- Hosted daily press briefings, which, at the height of the pandemic, of course, were daily;
- Introduced the regular use of sign language interpreters to ensure that the hearing impaired had access to vital life-saving information;
- Launched a COVID-19 focused WhatsApp service for the public, which issues government broadcasts and responds to queries. As of this week, there are 7,500 subscribers to the platform; and also
- the communications section hosted discussion forums on Zoom and Webex platforms to engage with the public to ensure that the community had the latest information regarding the coronavirus.

Mr. Chairman, what became evident during this pandemic was that, as working remotely became the norm, web-based content became the safest and preferred way to share and absorb information. People, therefore, became more comfortable using online platforms, such as Facebook, Twitter, Instagram, YouTube, WhatsApp, Zoom and Webex to receive and share their information.

Mr. Chairman, there is a need to manage the constant flow of information and to uphold the public's expectations of the timely distribution of key government information. Therefore, in the coming months the aim is to add to the Communications team—and these are the additional posts—a dedicated Social Media Officer, as approved by the Cabinet, as the ever changing and evolving environment of social media dictates that we have the capability and support to respond and engage in real-time with the community via these platforms.

## CITV

**Hon. E. David Burt:** I now ask that the House's attention go to CITV.

Mr. Chairman, CITV comprises of a General Manager, Programme Manager, Senior Producer, Television Editor and two full-time Videographers.

Mr. Chairman, over the course of 2020/21 production standards at CITV, in terms of quality, quantity and speed, continue to improve.

The quality of production has also increased in the areas of graphics and motion graphics, with the station maintaining a professional on-air presence by constantly updating its graphics to remain relevant and current.

Over the course of 2020, the CITV team managed through unprecedented challenges due to the aforementioned pandemic. And it transformed the way the CITV team operated, resulting in a greater work-

load in 2020 than in any other year of the station's 14-year operating history.

Mr. Chairman, during these extraordinary times, the CITV team managed to produce outstanding work, and the station successfully produced more than 100 videos, public service announcements, radio spots, social media campaigns, and internal training videos to support the Government's COVID-19 messaging.

The team also identified and outfitted a special room for the Government to host its vitally important press briefings to update the public on developments relating to the pandemic.

CITV produced and covered more than 100 COVID-19 related press conferences, which were carried live on CITV, Facebook, YouTube and the Government portal. I would like to thank, also, Mr. Chairman, at this time, the local members of the media who not only attended to ask questions on behalf of the public, but also covered most of the press conferences on their radio or television stations.

During this reporting period CITV was also able to easily adapt to transferring to Zoom presentations to put them on CITV.

This development gave viewers access to many government information forums regarding COVID-19; the Ministry of Education's remote learning and school health protocols; the Government's Vaccination Programme; and several other critical topics related to Government's services to mitigate the coronavirus.

### Creative Services

**Hon. E. David Burt:** Moving on to Creative Services, Mr. Chairman. This team includes an Acting Assistant Director of Creative Services, a Senior Graphics Designer, three Graphic Designers, two Photographers and one Photo Librarian.

This small team works together to provide all of the Government of Bermuda's signage, posters and fliers, social media graphics, print ads and photography.

Mr. Chairman, during these unprecedented times, Creative Services has proven to be an invaluable resource to the Government of Bermuda.

Not only has Creative Services continued to support all ministries and departments with their day-to-day graphics and photography needs, the team prioritised COVID-19 requests from key ministries at the forefront of the pandemic, including: Health, National Security and Education.

The team created all aspects of the graphic design work that supported the Government's goal of ensuring the public was kept abreast during the pandemic and provided photography services and assisted in the official branding for all related campaigns.

### Customer Service Representatives

**Hon. E. David Burt:** The Customer Service Representatives team consists of one full-time employee and one seconded Customer Service representative.

The Government's Switchboard continues to be one of the busiest switchboards in Bermuda, fielding hundreds of calls a day. Our Customer Service Representatives have been on the frontline answering questions, assisting and directing callers. We continue to work with the Information and Digital Technologies Department [IDT], to make the necessary technical upgrades to the decade's old switchboard, which, of course, Mr. Chairman, will be moving to the aforementioned Unified Communications System, which was mentioned under Head 43.

### Administration

**Hon. E. David Burt:** And finally, Administration. This section comprises the Director, Administrative Officer and an Accounts Assistant. They are responsible for the administration and overall running of the department.

### CAPITAL EXPENDITURE

**Hon. E. David Burt:** Mr. Chairman, the capital expenditure for Communications listed on page C-10 of the Budget Book is \$423,000.

Mr. Chairman, \$400,000 has been allocated to update the government portal and build a new website. The current site, [www.gov.bm](http://www.gov.bm), is built on a platform which will soon become obsolete and therefore, the building of a new portal will begin this year. Preliminary design work has already been completed to ensure that the new portal has much easier access to the information than the portal which was installed by the former government in 2016.

Mr. Chairman, \$23,000 is allocated for new equipment to upgrade the existing television station system.

### OUTPUT MEASURES

**Hon. E. David Burt:** Mr. Chairman, CITV continues to be a valuable resource to the Government and people of Bermuda. With the increasing demand for the creation of social media content, CITV will seek to ensure that social media videos are produced between 5 to 10 days, 80 per cent of the time.

The demand for CITV to provide live coverage of Government events has increased significantly and CITV will seek to ensure that Government press conferences and public meetings are successfully carried live on CITV and streamed live to the social media platforms which I mentioned previously, without an interruption of the broadcast signal, 80 per cent of the time.

CITV will seek to gauge customer satisfaction on the services provided by the station through the use of electronic survey forms where customers will have the opportunity to rate various aspects of the services offered by the station.

Mr. Chairman, our Creative Services section prides itself on speed and efficiency. Ensuring that the Government has the visual materials needed to help tell a compelling story to the public is critical. Creative Services will seek to ensure that there is a 100 per cent turnaround timeframe on the production of photography and graphic design materials.

Overall, the department will work to assess the service provided to customers using a customer service assessment tool with the goal to continually increase internal customer satisfaction year over year, in order to ensure the Communications team meets and exceeds client needs.

### MAJOR POLICY CHANGES

**Hon. E. David Burt:** Mr. Chairman, because social media and online web-based platforms play a significant role in how the Government communicates with the public, we will continue to use these platforms aggressively to get information to the people.

To aid Bermuda residents in better monitoring the possible exposure to the coronavirus [COVID-19], the Government launched WeHealth Bermuda, which was a new, free smartphone application that provides anonymous COVID-19 exposure notifications.

The department will continue to assist with the external promotion of the app and encourage the public to use this groundbreaking medium to help them keep abreast of community developments with COVID-19.

### PLANS FOR THE UPCOMING YEAR

**Hon. E. David Burt:** Mr. Chairman, in addition to continuing to support the Government in communicating its priorities to the public, the department will work to enhance how it communicates with online users, employing analytics to analyse engagement to determine what works for the target audience.

While the department incorporates traditional news sources into its awareness matrix, social media continues to drive how the department communicates with the community.

In addition to sharing information via radio and print ads, we will continue to place a premium on social media postings; 30-60 second videos; online postings; the Government's Bermuda Tree Frog app; its YouTube channel; the WhatsApp platform; and, of course, the government's portal.

Mr. Chairman, the Department of Communications will continue to provide guidance and support to Ministers, Permanent Secretaries and heads of de-

partments as they work to deliver their message to the public.

As there is an increased demand for employee awareness and engagement, the role of internal communications grows as employee-focused programmes are created and implemented. We are aiming to reintroduce podcasting to the list of tools to generate employee engagement.

Mr. Chairman, as a result of last year's extraordinary events, the department is committed to providing opportunities for the team to fine-tune and enhance their crisis communications skills. Such training against the backdrop of the pandemic will offer useful and practical tools and provide reminders on what to do and what not to do during a crisis.

It will also present an opportunity for the team to share with other stakeholders in the industry some of the invaluable best practices they learned as crisis communicators during the pandemic.

Mr. Chairman, I will close by reiterating that this past fiscal year has been a year like no other, especially for the Department of Communications. For the department it has been a year of learning, change, growth and extreme challenge for the members of the Department of Communications.

Their ability to serve under often stressful circumstances, including late nights and weekends, is tremendously commendable, particularly during the pandemic when there were extraordinary demands that were placed on all sections of the Department of Communications.

Throughout it all, Mr. Chairman, they worked together to provide sound professional advice and high-quality service. They answered the call 24/7 because they knew the importance of ensuring that the public had timely and accurate information about COVID-19 and its associated risks.

The Communications Officers, the Creative Services team, CITV, Administrative staff, and Customer Service Representatives are unsung heroes when speaking about Bermuda's response to the pandemic.

Bermuda, public officers and the Government are well served by the Department of Communications and I take this opportunity to publicly thank each of them, and their Director, Ms. Aderonke Bademosi Wilson for their stellar service over the past fiscal year.

Thank you, Mr. Chairman. This concludes my budget presentation for Head 51. And if I may, Mr. Chairman, can I ask for a point of personal privilege?

**The Chairman:** Yes, please, Premier.

For the purposes of today and the listening audience, we are in the Budget Debate. We are currently in the Committee of Supply for consideration of the Estimates of Revenue and Expenditure for the year 2021/22. The debate today has been the debate on the Cabinet Office departments. We heard earlier from Minister Wayne Furbert on some of the Heads

falling under those departments and we have just heard from the Honourable Premier of Bermuda on, specifically, Head 51, the Department of Communications.

Minister Furbert, I do not know if you are going to intervene at this point in time or if we should just hang on a minute or two for the Premier's return.

**Hon. Wayne L. Furbert:** Yes. No, I believe he will be going on to the other Head very soon. That is Head—

**The Chairman:** No, he has covered Heads 43 and 51.

**Hon. Wayne L. Furbert:** So, he is going to Head 94.

**The Chairman:** I think so.

**Hon. Wayne L. Furbert:** Head 94 has to do with—

**The Chairman:** Economic Development.

**Hon. Wayne L. Furbert:** —Economic Development, so, he will be here in a few minutes to proceed with Head 94.

**The Chairman:** Right.

And as I understand it, Minister, that will be the last Head presented by the Government before questions from the Opposition, is that correct?

**Hon. Wayne L. Furbert:** Yes, yes, yes it will.

**The Chairman:** Grateful, Minister.

**Hon. E. David Burt:** Thank you, Mr. Chairman.

**The Chairman:** Thank you, Mr. Premier, welcome back.

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

## HEAD 94—ECONOMIC DEVELOPMENT DEPARTMENT

**Hon. E. David Burt:** Mr. Chairman, I am pleased to present the budget for Head 94, the Economic Development Department, which is found on pages B-78 through B-81 and on page C-10 of the Budget Book.

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

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

### MISSION STATEMENT

**Hon. E. David Burt:** The mission statement of the Economic Development Department is to advance the

sustainable growth, development and diversification of Bermuda's economy.

The Government of Bermuda is taking a multi-pronged approach to economic development and diversification. The Economic Development Department, which was created in April 2020 as Head 94 is maintaining unyielding focus on its dual purpose: job creation and revenue generation.

The Economic Development Department has the mandate of growing the local economy, attracting more business to the Island, generating incremental revenue, boosting foreign direct investment, increasing the size of the workforce by creating jobs, and building an economy that would compel not just digital nomads of all nationalities, but also Bermudians living and working overseas, to come home.

To achieve that, the Economic Development Department aims to create new economic pillars in Bermuda, starting with the identification of new opportunities for economic diversification and subjecting said opportunities to structured analysis and research. Once areas are identified and agreed upon, the department will seek local and overseas investment to develop new local industry, which in turn will create jobs in Bermuda.

Decisions made by the EDD are based on research, stakeholder feedback, industry needs, partnerships, and departmental objectives. The Economic Development Department's key partners include the Bermuda Business Development Agency, the Bermuda Tourism Authority, and the Bermuda Economic Development Corporation.

Mr. Chairman, this Honourable House recalls that the Economic Development Department was created in April 2020 as the amalgamation of several departments and units: the Department of ICT Policy and Innovation, the Business Development Unit, and the FinTech Business Unit. Since its inception, the department has provided a link between the Government and related business sectors and developed networks with international business professionals and organisations. Additionally, it has provided tailored services and guidance on government processes in accordance with client needs.

In August 2020, the department also took over functions that heretofore had been under the Department of Immigration: the Alien Land Licences (and any questions on Alien Land Licences can be directed to the Minister responsible for the Cabinet Office).

The purpose of the Alien Land Licences programme is to protect land in Bermuda for ownership by individuals who possess Bermudian status by—

- a) requiring restricted persons to have licences to hold or acquire land in Bermuda and preventing them from appropriating it;
- b) requiring trustees to have licences to hold or acquire land in Bermuda for the benefit of restricted persons and preventing them from appropriating it; and

- c) preventing corporations from acquiring or holding land in Bermuda, unless they do so in accordance with Part VI of the Bermuda Immigration and Protection Act 1956.

This land licence process includes applications by restricted individuals to hold or acquire land in Bermuda, Permission to Let their Bermudian properties, Permission to Take a Mortgage or Charge on Land, and Deferral Certificates.

Mr. Chairman, the Alien Land Licences programme has earned the Government over \$2.6 million in revenues since its fusion into the Economic Development Department in August 2020. This is reflective of 78 approved applications which is inclusive of the aforementioned categories. This number includes 43 land acquisitions composed of freeholds and leaseholds of residential properties and condominiums, as well as fractional ownership of tourist accommodations. The transfer of this function has seen progressing for these licences move more quickly, which, in turn, yields more revenue for the Government of Bermuda.

Mr. Chairman, the Economic Development Department is composed of:

1. The Business Services Division, which is directly involved in negotiating and discussing government agreements with potential candidates, fielding proposals and ensuring that they reflect the Island's priorities.
2. The Concierge Services Division, which provides seamless services to international businesses that are considering domiciling in Bermuda by facilitating meetings with Government officials, ensuring the expedited processing of regulatory applications, formulating immigration strategies in relation to staffing needs, and resolving any other issues that may arise in relation to Governmental processes.
3. The Legislative Affairs & Research Division, which assists with policy creation and progresses legislative initiatives that are intended to improve or introduce corporate products and service offerings to Bermuda's local and international clients.

Mr. Chairman, FinTech remains a key focus in the Government's economic diversification strategy and the Economic Development Department continues to provide the resources and support that FinTech needs in order to continue to push forward. Expectedly, the pandemic caused the FinTech team to divert its efforts and resources into assisting the national effort, specifically with the development of COVID-19 technology. However, that did not deter the progress of Fintech on the Island: in 2020, five companies acquired Digital Asset Business Licences.

IG International, a significant player in the investments and trading space acquired a full licence in February. In May, Nayms, a provider of insurance-

linked smart contracts acquired a sandbox licence. Then, in September, Bittrex Global, one of the world's leading cryptocurrency exchanges, acquired a full licence. CrossTower, a new exchange start-up acquired a sandbox licence in October. Finally, on New Year's Eve, Diamond Standard, a company making diamonds easier to own and trade, in turn acquired a sandbox licence.

During 2021, the FinTech Office aims to continue to foster an environment of industry, legislator and regulatory collaboration to mirror the key ingredient of success that drove the growth of the insurance industry. It also aims to continue driving business development efforts to guide companies to the Island. Other areas of focus are: driving local adoption of the technology, providing education and training programs, telling the story of FinTech, engaging with key local and international stakeholders, and finally, driving policy refinements and strategic direction.

Mr. Chairman, digitising the Bermuda dollar also remains a key FinTech focus. Two different private sector digital currency pilots were undertaken in 2020. Stablehouse piloted a stimulus coin with businesses in the North East Hamilton Economic Empowerment Zone and continues to advance its efforts to expand and develop. Also, a gift card coin pilot was operated as part of the reopening of the Goslings store on Front Street, which included a series of FinTech-related workshops.

Regarding key partners, we are pleased to report that a number of parties are interested in testing out their technology on the Island. We are pleased to have the support of Clarien Bank in providing local banking support for broader Bermudian-focused stable coin pilots. Our efforts to attract new banking entities to Bermuda to support this growing ecosystem have not stopped.

Mr. Chairman, in October of last year, the government continued refining the Digital Asset Business regulatory regime by adding a new test licence class dedicated to allowing for testing and piloting of ideas. This new class lowers the barriers to entry for innovators both locally and abroad, which enables them to operate under the guidance and supervision of the Bermuda Monetary Authority. A key consideration is that FinTech cannot only target foreign innovators but must also be made accessible to ingenious young Bermudians who want to test their ideas on the Island and subsequently export them to the world.

In support both of innovation and of the growing number of job opportunities, a continued investment is being made in education, training and awareness around FinTech. It is crucial to note that free FinTech training via [www.fintech.bm](http://www.fintech.bm) has continued to be offered and funded by this Honourable House year-round. Other events and workshops also took place during the year. For instance, in October 2020, Bermuda TechWeek was once again successfully hosted by the Bermuda Business Development Agen-

cy. Penrose Partners hosted the International Tech Summit, which included a broad series of public- and private sector workshops as well as a virtual summit. The aim of all of these events was to broaden the understanding of the potential impacts of FinTech in Bermuda.

As we look to 2021 we will aim to establish greater collaboration between stakeholder groups by bringing together, on a quarterly basis, industry, regulators, policymakers, and FinTech community members and advocates to ensure continued alignment. Our hope is to advance specific initiatives and to engage all stakeholders in the development of new legislative frameworks, including the exploration of a Digital Identity Service Provider framework as announced in the BMA's Business Plan. This framework is geared towards providing clarity and reducing the friction and duplication associated with the burden of validating the identities of individuals for KYC [Know Your Customer] purposes.

Looking forward, we will continue to boost the Island's FinTech space by striving to attract companies and to build industry, advancing initiatives around the private sector driven digitisation of the Bermuda dollar, and strengthening the support of Bermudian entrepreneurs in this space.

### Subjective Analysis

**Hon. E. David Burt:** Mr. Chairman, moving on to the Subjective Analysis for Economic Development, as found on page B-79.

This Honourable House will note that starting in this year, the reporting has been modified to reflect the amalgamation into one single department of the following:

- The Department of ICT Policy and Innovation;
- The Business Development Unit;
- The FinTech Business Unit; and
- The Intellectual Property Section.

The total expenditure for the Department of Economic Development is estimated to be \$2,130,000 for the upcoming fiscal year, which is an increase of \$403,000, or 46 per cent, over last year's budget and which, as I will soon explain, is largely accounted for by the transfer of the Intellectual Property Section that is under the remit of the Registrar General.

Intellectual Property refers to creations of the mind or intellect. Creators of intellectual property seek protection to maintain an exclusive right to exploit their created works. The Intellectual Property Section facilitates the protection of intellectual property rights to an international standard, so that Bermuda remains a place where creativity and talent can thrive.

The role and functions of the Intellectual Property Section mirror those of the UK, US and other National IP Registries. The services provided to the public are mandated by legislation, referenced above,

which directs the core duties and responsibilities of the Intellectual Property Section.

The transfer of the Intellectual Property Section to the Department of Economic Development is reflected in the Budget Book and shows a 33 per cent increase in Salaries and a \$95,000 increase in Maintenance by virtue of transfer of the relevant information system—I should say the budgetary transfer.

Mr. Chairman, the Salaries and Maintenance expenses are direct transfers and as such, the full budget for Head 94 is not an increase of funding but simply an internal transfer within the Government. It is important to note, however, that these posts are reflected here for budgeting purposes and the intention is for these posts to remain within the structure of the Registry General to ensure that the Economic Development Department remains a nimble department, focused on its core mission.

Mr. Chairman, the internal re-organisation of the Economic Development Department has also allowed for increased efficiencies, in keeping with this government's persistent focus on fiscal prudence. Therefore, the department's budget has, most notably, seen a \$94,000 decrease in Advertising and Promotions, primarily resulting from the move from in-person events to virtual environments. Please note that the department's intention is to continue to conduct virtual events where it can and where it is appropriate including the annual Digital Leadership Conference.

Mr. Chairman, the impact of the transfer into the Economic Development Department of the Intellectual Property Section also extends to Manpower, as can be seen on page B-80, five full-time equivalents are reflected for budgeting purposes in the department, causing its total headcount to increase to 14. In terms of Capital Expenditure, you will note that page C-10 shows Capital Acquisition funding for Head 94 in the amount of \$22,000, which is set aside for computer equipment.

In terms of revenue, which is shown on page B-80, the Economic Development Department is expected to generate \$6,343,000 during the fiscal year 2021/22, chiefly made up of \$5,500,000 in Land Acquisition fees.

Mr. Chairman, turning back to page B-78, I note that Head 94 has the following objectives in striving to achieve its mission:

- devise an economic development and diversification strategy for the jurisdiction;
- facilitate and equate policies and implement plans that support the economic development and diversification goals;
- analyse innovative developments and trends through research and stakeholder engagement; and
- position Bermuda as an ideal test market for innovative product and industry development;

- publish articles and editorial content in local and international publications to promote and reinforce Bermuda as the optimal jurisdiction for business across various industries;
- offer activities and initiatives that support, promote and recognise opportunities and advancements that reinforce the economic development and diversification goals;
- identify our market fit and clearly communicate our message and drive opportunities that lead to economic activity;
- develop a clear education and training plan to drive innovation through foundational learning, fostering entrepreneurship and upscaling Bermudians and enabling broad access to knowledge; and finally,
- identify legislative and policy solutions that provide industry confidence.

### Output Measures

**Hon. E. David Burt:** Moving to Output Measures, Mr. Chairman.

The Economic Development Department Output Measures are found on page B-81 of the Budget Book. Selected indicators under each specific unit are outlined as follows:

Programme 9403, Analysis & Strategy. During this fiscal year the Economic Development Department will refine the economic diversification strategy that outlines the way forward in delivering on its mandates.

Programme 9404, Research & Legislative Support. The Economic Development Department aims to implement new legislation and update and modernise current legislation in this next year. The target is eight pieces of legislation to be enacted or to be amended.

Mr. Chairman, it is expected that the Economic Development Department will continue to concentrate its energy, resources, and expertise in order to stimulate growth and diversify our economy. The department is tirelessly working on achieving the Island's economic development and diversification goals by prioritising the competitiveness of the Island globally and by ensuring its attractiveness internationally as a preferred place to move to by individuals, organisations, and corporations.

In relation to the pandemic, as the world turns the proverbial corner, governments worldwide will be able to focus their attention to local and international post-COVID-19 recovery. In Bermuda, the Economic Development Department will lead that effort by making sure that the jurisdiction continues to build on its solid foundation with respect to innovation, the tech economy, and unrelenting support for small and medium-sized enterprises. The department will also play a key role in supporting the Economic Recovery Plan Project Management Office by ensuring that it ad-

vances projects which cut across a number of different ministries.

Mr. Chairman, despite the very challenging economic times, I am optimistic that the Economic Development Department, ably led by our new Director Mr. Ray Jones, along with his capable team, will lead the way to the sustainable growth, development, and diversification of our Island's economy.

And with that, Mr. Chairman, this concludes my presentation of Head 94 and, thus, concludes the Government's presentation of the eight Heads set down for debate by Her Majesty's Loyal Opposition.

**The Chairman:** Thank you, Honourable Premier.

That concludes the presentation by the Government on the various Heads falling under the Cabinet Office departments.

Does any Honourable Member wish to speak to this debate or to this matter?

*[Pause]*

**Hon. N. H. Cole Simons:** Mr. Chairman, can you hear the Honourable Craig Cannonier?

**The Chairman:** I cannot. I can hear you, Opposition Leader.

**Mr. L. Craig Cannonier:** Let us try—

**The Chairman:** Now I can. Now I can.  
Is that you MP Cannonier?

**Mr. L. Craig Cannonier:** Yes.

My apologies. I am not sure why my video . . . I am going to try again. Is the video up now?

**The Chairman:** I can hear you. Let me just see if I can see you . . . I cannot see you at the moment, Honourable Member.

**Mr. L. Craig Cannonier:** I am going to try again. I do not know why my video is not on.

**Hon. N. H. Cole Simons:** Okay, while he is checking, I will start with some questions.

**The Chairman:** Go ahead, Opposition Leader. You have the floor.

**Hon. N. H. Cole Simons:** I am going to Head 9, Cabinet Office, Professional Services. The Premier referred to the Commission of Inquiry for the Historic Land Losses. My question to him is this: I know they are doing sterling work, and they have interviewed a number of people. When this Commission has finished its work, what will be done as a result of the information gathered? Will there be some type of compensation? And if so, to whom and from whom? Will

the Government be somehow providing compensation for those who have been badly done by [as shown by] the findings in the Commission?

So, I would like for the Premier to speak to that.

**Hon. Wayne L. Furbert:** Mr. Chairman, can the Honourable Member turn on his camera, please?

**Hon. N. H. Cole Simons:** Yes, yes, yes.  
Do you see me?

**The Chairman:** I can see you Opposition Leader and thank you, Honourable Minister.

**Hon. N. H. Cole Simons:** Thank you, Honourable Minister.

**The Chairman:** Honourable Minister, would you like to respond to the question posed by the Opposition Leader under Head 9, Cabinet Office?

**Hon. E. David Burt:** No, Mr. Chairman. I am happy to save all questions.

**The Chairman:** Oh, I am sorry. Honourable Premier, you are going to field all—

**Hon. N. H. Cole Simons:** I will just continue. I will continue until my colleague comes on board.

**The Chairman:** Okay. Please continue, Opposition Leader.

**Hon. N. H. Cole Simons:** The Brussels Office. We indicated that we have Ms. Aliyyah Ahad, \$396,000. The number of employees in the . . . for the London Office schedule says zero. So, I think there is an error there. There should be one.

In addition, I noted that we had consultant, a legal firm in Brussels that we used quite a bit, to basically keep connected and deal with the lawmakers in Brussels. And I was wondering if he could speak to whether we still engaged that firm and how much we basically pay them. In last year's report you indicated that they were used as the early warning sign. I am trying to look for the name of the law firm . . . and I was wondering if we could speak to that.

The other issue is I noted that the Minister was silent in regard to the New York Office. There was very little mention of it. Is that office closed? Are we not using it any more or are we just using our lobbyists to make contact with the shakers and movers in the Washington scene?

On the issue of Capital issue on page C-4, Marginal Wharf, I think this has been an issue that has come up every now and then for a number of years. And I think the Premier said it, you know, we have to get the fishermen together, because I support the

concept. It is my understanding that not all of the fishermen are on board. And I am saying this just simply because of an operational matter. Most of them . . . a lot of the fishermen are in the West End. They go to the banks, which is in southwest 20 miles west of Bermuda.

So, when they come in at the end of the day, will they have to steam to St. George's to refuel, restock, bag their fish? Basically it would be more expensive and another hour. And so, operationally, is Marginal Wharf the right place for our fishermen, if we want full access from Somerset to St. George's? I know for a fact that maybe 40 per cent of our fishermen leave from Somerset Bridge, and to go to Marginal Wharf at the end of the day will be challenging and more expensive.

The other issue, the Premier spoke to a five-year Public Service Plan. Who is overseeing that to make sure that we are on track in regard to the five-year plan? And that is under, I suspect [cost centre] 19080, Head of Public Service. And what features are we going to address in the coming year?

I think my colleague is ready to continue, so I was just filling in for him.

**Mr. L. Craig Cannonier:** It looks like it is gone again—my video.

**Hon. N. H. Cole Simons:** My colleague is having challenges with the video, so I will continue to progress forward.

**The Chairman:** Please continue, Opposition Leader.

**Hon. N. H. Cole Simons:** [Page] B-45, Gross misconduct cases will be adjudicated within an eight-week period. How many gross misconduct cases have we had in the last year? And what has been the nature of these gross misconduct cases? And how have they been managed and resolved?

That is all I have for now on the Cabinet Office.

**The Chairman:** Thank you, Opposition Leader.

MP Cannonier, have you managed to get up and running there?

**Mr. L. Craig Cannonier:** Yes, here we go.

**The Chairman:** Yes, we can see you.

MP Cannonier, you have the floor.

**Mr. L. Craig Cannonier:** My apologies, it kept dropping out for some reason. I had to go back in and accept the meeting request, so I am not sure exactly what happened.

**The Chairman:** In the interim the Opposition Leader posed a series of questions for the Premier and the

Minister under Head 9 of the Cabinet Office, so please proceed.

**Mr. L. Craig Cannonier:** Yes, I am just trying to get this steady so that it does not . . . is that okay, the video?

**The Chairman:** Yes, we can see you.

**Mr. L. Craig Cannonier:** Okay, great.

Thank you once again. I would like to thank both the Premier and Minister Furbert for the deliberations this afternoon. Quite frankly, I have always enjoyed the debate on Cabinet Office, especially hearing some of the new innovative things that are coming forward and that are taking place. I would like to also, at the forefront, thank many of the staff who were involved with the whole process of ensuring that they were as effective as possible during these trying times.

If you will, Mr. Chairman, I would like to go . . . not in the order that the Premier and Minister Furbert went in, but to certainly go from the very beginning of Cabinet Office and just move right on through the departments, if that is okay.

**The Chairman:** Well, you could just identify the Heads as you go, MP Cannonier, so the people responding to questions know which Heads they are under. Thank you.

**Mr. L. Craig Cannonier:** Yes, I will. Thank you very much.

So, I would like to start off with Cabinet Office departments. Certainly, we have been given a fairly thorough review. On [page] B-39, the Cabinet Office departments, and I take note of (if you will take a look at the current expenditure) the summary there. I am keenly aware of the \$22,736,000 increase, and that is primarily due to tourism. And we will get to tourism at some point in time throughout the Cabinet Office department, because the Premier brought it up under there.

I would like to turn over to [page] B-41. And I know that the Honourable Opposition Leader was asking some questions as well here. But primarily what stood out to me, outside of the review that the Premier gave, was the lack of information on exactly what is going on with the Washington, DC, Office. We see in the original amount \$61,000, if you look under 0902 unit, and then the item 19045, Washington, DC, Office, the original amount was \$61,000 and we are now spending \$237,000. I was hoping that the Premier would then break down exactly what this is.

I know that we are paying rent for an office. I was hoping that the Premier, based on how he answered last year, could tell us when did renewed. When did we actually renew the contract for the Washington, DC, Office? And in renewing that, how

long is the lease for at the Washington, DC, Office? So, two things—can he give us the actual date of the renewal of the contract; and also can he tell us the length of time of that contract? It does not appear to be manned, and we did not hear any information concerning the manning of the place. And there was some talk about subletting it, Mr. Chairman, so I do not know if it has been sublet out or not, or if it still continues to sit vacant. But it does not have anything to do with the consultants that we have assisting us in the DC primarily. And if it does, then, I am hoping that the Premier can advise us in like manner.

I will give accolades to 19035 under the same unit, Economic Policy & Foreign Affairs. The London Office has done well. I was hoping that the . . . when the Premier mentioned that . . . let me just go over to my notes here. He mentioned how they brought in the London Office . . . I want to say 200-plus Bermudians, repatriated a few hundred number of Bermudians. I was hoping he could help us and give to Bermuda some of the complexity that was going on at that time and how well the London Office did in being able to get Bermudians back [home]. I know that I was in the ear of the Premier at the time many times where there were families trying to get their children back on the Island. And so, if he could elaborate on some of the process that the London Office used so that Bermuda understands some of the complexity of what was going on and how the Cabinet Office, actually along with the London Office, assisted our Bermudians in order to get them back [home]. And that would, again, be under unit 0902 on page B-41 under item 19035, the London Office.

I also noticed he spoke about the Brussels Office, 19075. And I must say that I will continue to encourage the Premier to use these offices to their fullest extent at a time where I believe that Bermuda is under economic threat and we need to leverage on just about every relationship that we can to get our voice out there and to get investment into the Island as we move forward.

It was 236 repatriations, I believe, the Premier said, just to refresh the Premier of that number. And if it is not that, then he can certainly let me know.

Now, if I look over on [page] B-42 under Subjective Analysis, I just want to go down to . . . he mentioned the salaries. I am aware of that . . . it is the Travel I wanted to go to. Under Travel, it would be one, two, three, four, five, six—the sixth line item under Subjective Analysis, Travel. And I see there is a reduction. Obviously, I assumed that due to COVID-19 there would be a reduction in travel. It does appear that for the last year, despite COVID-19, we were able to spend pretty much close to \$210,000 in the revised amount.

I would encourage—and I have done this every budget period. I would encourage the Premier to travel where he can. It is important to get Bermuda's voice out there to ensure that . . . and maybe the

Premier can tell us, under Travel, what are some of the targeted travel functions he is planning on visiting in the spend of \$250,000 with the Cabinet Office? Can he give us an idea? Obviously they have cut back, so they must have an idea of some of the things they want to target for the upcoming year. If he can let us know what some of those targeted travel functions are that he is looking to [attend].

If you go down further, you will see under Professional Services—

**The Chairman:** Are we still at page B-42?

**Mr. L. Craig Cannonier:** Yes, I was just going to say we are still on [page] B-42—

**The Chairman:** Thank you.

**Mr. L. Craig Cannonier:** —under Subjective Analysis, just a few lines down from Travel, you will see under Professional Services where there is a reduction. And I understood the answer, some of the answer, that the Premier had given. But what I do know is that there were at least 15 different services (under Professional Services) where monies had been received. The Commission of Inquiry, actually, was one of those who received about \$290,000 that the Premier mentioned last year. And I see that there is a reduction. If the Premier could then, as he did in the previous years, lay out the Professional Services and the amount of spend under those Professional Services.

Previously he mentioned PATI, \$221,000, you know, and so on. He could give us an update as to whether or not some of those have changed. And, as I said, I am not sure whether the Commission of Inquiry is receiving another \$290,000 under Professional Services, but it would be good to know what those are and whether or not some of those are continuing on in the same amount. And I am on [page] B-42.

He mentioned under Materials and Supplies on the same page that this came under the part of the \$2 million, when he mentioned medical supplies. So, [I have] no challenges there. We will get to the Grants and Contributions as we go over further into some of my questioning, but I will leave that as we go along.

There is on page B-43, Mr. Chairman, I think there is an error on this particular page and I just want to ensure that our Budget Book is reflecting what it should. If you look on page B-43 under Employee Numbers—

**The Chairman:** Yes.

**Mr. L. Craig Cannonier:** —and if you go down to line items 19075 and 19080.

**The Chairman:** Yes.

**Mr. L. Craig Cannonier:** Under the original amount it should be, for 19075—and I am hoping that the Clerk takes a look at this to make the necessary adjustments—Brussels Office, the original amount, which would have been the estimate last year, was two. And so in the original amount it should say two here as opposed to zero. Now, if there is a reason for that, I am hoping that there is an explanation, but I do believe the original amount is moved into that position because it was the estimate last year and that is not reflected here.

In addition, on 19080, Head of Public Service, this should be three because it was three in the estimate amount of last year's budget. And so, it is just more of a . . . making sure that we get the corrections in there and the numbers reflect what they should. So, I am hoping that yourself and the Clerk . . . and hopefully the Premier is taking a look at that so that he can address in his answering to make sure that we have those numbers where they need to be so that they are reflecting correctly.

**The Chairman:** Thank you, MP Cannonier. Just so we are clear, the potential errors you are identifying are on page B-43 and they are the second and third to last entries in the Employee Numbers (Full-time Equivalents) box there, being line items 19075 and 19080. Correct?

**Mr. L. Craig Cannonier:** That is correct. Yes.

**The Chairman:** No doubt those questions can be addressed.

Do you want to continue with your questions please?

**Mr. L. Craig Cannonier:** Yes, I will continue. I will continue on. I am sure that they are listening. I take it to heart when the Premier said he was hoping that I was listening on the tourism part and, certainly, when the Premier speaks I want him to know that I certainly listen.

If we can then go over to page B-45 under the Performance Measures in Cabinet Office, under business unit 19080, Head of Public Service, it was interesting . . . sometimes the Premier can speak fast and usually it is good information, but it goes by very quickly. He said here that there were, I believe there were . . . under Service Conduct, and he said that there were five categories—essential, important, needed, desired and optional. And I was not quite sure how those fit into . . . as a priority, how they determined these five different categories when it came to public service and assessing public service.

It would be important if the public were understanding exactly what he meant here—"essential" was one, "important" was another, "needed," "desired" and "optional." There was not enough flesh put on exactly what he was talking about when it came to how they

were going to mete out this in relation to service conduct. So, I am hoping that the Premier can address those.

Now, I am not sure, and the Premier can help me out here, whoever is listening there, if I should address some of the tourism items—because he did go to Grants during this part, as opposed to under Economic Development. So, if it is okay, I will head on into the Grants and the likes and I will flip over, if you will, and if you will oblige, Mr. Chairman, give me just a second.

**The Chairman:** Yes.

**Mr. L. Craig Cannonier:** I am going to go over to—under Capital Account Estimates first on [page] C-4.

**The Chairman:** [Page] C-4?

**Mr. L. Craig Cannonier:** Yes. Under Cabinet Office department, [page] C-4, Capital Account Estimates.

**The Chairman:** Yes.

**Mr. L. Craig Cannonier:** The Premier . . . if I go to Cabinet Office, 75281 and, again, we are on [page] C-4, Shoreside Facilities—Marginal Wharf. I was hoping that the Premier can tell us, for the \$370,000, what exactly did we do here to spend that? And, of course, what does he anticipate as far as the \$1 million that has been allocated for 2021/22? How do we come to that number?

It seemed a bit vague as to the kind of facility that is going to be put in place here. And is this something that the Uptown Development Agency is doing? If he can give us some more detail, what can we expect from this Shoreside Facility? What exactly is it going to do? Just to say it is for fishermen, which is pretty much what we heard, was not enough detail, and I am hoping he can put some flesh onto the bones of that.

I am happy to see and I will concur with the Premier as he gives to the clubs and gives investment grants under 75349 on the same page C-4. It is good to see the investment into our clubs. I have always been a proponent of supporting many of our clubs and I am hoping that the monies are going to good work. I am hearing that they are. So, it is important that this part of our social network be supported and it certainly appears to be being supported by our Premier. (Give me just a second here.)

Yes, also, I have got so many notes here, my apologies. The Premier mentioned in his brief, and I need to go back to the Administration. If we go back to . . . let me just flip over the pages here. This is quite a bit to go through here.

The Premier mentioned, under Cabinet Office in Administration on page B-41, in the Spend of the Administration. And also under Government Reform,

the National Health Emergency, he mentioned about testing. I was hoping that the Premier could then elaborate on some of the challenges that the Ministry faced when it was offering world-class . . . as he mentioned in his brief, we were offering a world-class service when it came to dealing with COVID-19. If he can give us an idea of some of the challenges when it came to staffing and locations and training and what the Cabinet Office was going through at that time, so that the public can appreciate a lot of the work that took place by the Cabinet Office and, of course, the Ministry of Health and many other of those who assisted, so there is a real appreciation for what was going on.

I am going to now move back over to . . . Capital Acquisitions on page C-10. If we flip over to Capital Acquisitions on page C-10.

**The Chairman:** Yes.

**Mr. L. Craig Cannonier:** I know it is quite a thick book and a bit of leafing through here.

So, if we go under Cabinet Office and under Information & Digital Technologies, I guess I can wait for that. Let me just go to the . . . we probably should wait until we get to Information & Digital Technologies, my apologies.

So, what I will do then . . . and I know that my colleague wants to ask some questions under this particular [Head] as well. I am going to move over to page C-17.

**The Chairman:** Yes, page C-17, which is Grants and Contributions.

**Mr. L. Craig Cannonier:** Yes, Grants and Contributions. And I must highlight that in his brief he mentioned \$22,500,000, but I do recognise that on page C-19, as it was transferred from the Ministry of Transport, the allocation under Tourism Authority Grant under Transport was \$22,500,000. There is a million-dollar difference for the Grant on page C-17 under Cabinet Office Departments, 6835, Tourism Authority Grant of \$21,500,000 and I was just curious as to the million-dollar difference.

**The Chairman:** So, the Budget Book is a million dollars less than stated in the brief, is that the point?

**Mr. L. Craig Cannonier:** Yes, yes, yes.

So, if he can qualify that. It certainly is saying on page C-19 that in prior years it was \$22,500,000 but there is an allocation now, a current estimate of \$21,500,000. Can he give us the reason for the million-dollar difference?

I am going to come back to Tourism, based on the brief that he gave, but just in brief, while I am still on this page, I take note under 7000 Cabinet Office Departments, item 7000, BEDC Operational

Grant. He mentioned the \$12 million that went to assist businesses due to COVID-19. And I want to thank Cabinet Office for assisting in this area to ensure that that grant was made available. I do know many, especially small businesses, who benefited from this here, which was vitally important.

I was not quite sure what that was for, so he did give an explanation. What I did not hear was whether or not . . . he mentioned that the Ministry of Finance potentially would be continuing with this. I was not quite sure, as he was going through quite quickly, whether or not this \$12 million grant is going to continue under the Ministry of Finance. And so, I am hoping that he can then highlight that for us and let us know.

Now, before I go into more substantive [items] of Tourism under Cabinet Office, because that is where he talked about it, even though it falls under Economic Development, I want to move over to [page] C-26 under—

**Hon. E. David Burt:** Just a point of information, if I could, Mr. Chairman.

**The Chairman:** Yes, MP Cannonier, will you accept a point of information?

**Mr. L. Craig Cannonier:** Absolutely.

**The Chairman:** Yes. Go ahead, Honourable Premier.

#### POINT OF CLARIFICATION

**Hon. E. David Burt:** The Honourable Member is not correct . . . sorry. Tourism does not fall under Economic Development. Tourism comes under the Cabinet Office. So it is correctly in the right place.

**Mr. L. Craig Cannonier:** Okay, okay.

My apologies. For some reason I thought it was under Economic Development. Okay, thank you. Much appreciated, Premier.

On [page] C-26, under Government Department Accommodation Rental under Cabinet Office Head 9, I take note of the increase for the Brussels Office. It looks like there is an increase of approximately \$6,649 to be exact, if I do the calculation. If he can let us know exactly what is happening there, why are we now, especially at this time, experiencing an increase in the Brussels Office?

If you go down one line under Brussels Office you will see there also in the Cabinet Office, Commission of Historic Land Losses. And I want to thank the Premier for the briefing that he gave on the Commission. If I recall, as I mentioned, there was \$290,000 in a grant in the prior [year] that was given, and we are trying to find out if that is continuing. But I also see here for rental, there is a rental of \$33,600. Is that still at the same building? I think he mentioned—not in this

brief—but I think he mentioned Sofia House at one point in time, so, is that still at Sofia House? What accommodations are they in at the present time for the \$33,000? And how long is that particular contract for?

And so, what I will do now is I would like to move to the brief part where he mentioned about Tourism. And I want to thank the Premier for the briefing on Tourism under the Cabinet Office, as he has rightfully corrected me, and to take us through the five steps or plans of focus. And so, where we are, Mr. Chairman, is on [page] C-17 (we are still on C-17 under Grants and Contributions), Tourism Authority Grant 6835, the allocation of \$21,500,000.

The Premier mentioned that lessons were learned through the recovery, in his brief under this particular item. And I was just curious as to some of the lessons . . . and this is really for the edification of the public to understand, as I was in constant contact with the Premier at the time, so I knew some of the challenges. But if the public could hear a little more about the lessons that were learned as we were moving through COVID-19, predictions of hundreds of persons passing, and then recognising that this probably would not be the case. If he could give us some of those lessons at his position that were learned and for Cabinet at large as we became one of the global standards for recovery, quite frankly, and the team needs to be commended for that.

There was a plan. He mentioned that as they go forward Tourism has a plan going forward for 2021, however, it is unpredictable and we are still in that phase. I would like to start off by saying as I . . . before I get going with Tourism here, I want to thank Glenn Jones and his leadership in Tourism. I recognise that he has been in an acting position. I am hoping that the Premier will update us on that. But I do want to commend him and his team for the challenges that they have faced, manpower-wise, as well as [with] COVID-19 and the devastation that took place.

Certainly, Government receives a large sum of fees from cruise ships and the likes, and so does Tourism benefit from these tax fees on visitors, and it has been devastating for both Tourism and Government to have lost this money.

I guess I was hoping that the Premier would tell us and give us a little more about some of the conversations upcoming. When he mentioned cruise ships I did not hear of exactly (maybe I missed that) when they were anticipating that they might be returning to Bermuda. I know that around the world they are beginning to mobilise. So, I am hoping that we have an idea, as discussions continue on, as to when that might take place.

Also, under that same item, 6835 Tourism Authority Grant on [page] C-17, the Premier mentioned that as of late March of last year there was a reduction in the hours and salaries in tourism anticipating this downfall—downturn I should say—and 20 per cent

reduction in contracts, which is admirable by the team of being able to achieve this.

I was hoping that the Premier might be able to [tell us]—and he may have to get this information, I do not know if he has [this] available. What roles actually have fallen away? And he mentioned that there are 38 positions at present and that there probably would be some shifts and he anticipated some reduction there. If he can give us an idea of what he believes to be (or Glenn, or the Tourism Authority believes to be) the ideal numbers to be at this present time for the Tourism Authority.

The Premier continued on and said that 60 per cent of hotels will reopen . . . seats, I believe he was talking about, available seats will reopen. This is good to hear. It is good to hear about St. Regis, the 120 rooms. But I did have a question about the Bermudiana Resort. We have not heard . . . we have heard some, but we have not heard much about the renovations that were taking place up there. And I probably will have the opportunity in Public Works to ask some questions there. There are an anticipated 190 rooms and I believe that he mentioned that those rooms would be available this fiscal year. So I am curious as to what other works need to take place.

We know that they have been given . . . I do not know if it was a loan or grant . . . a guarantee, I believe it was, yes, a guarantee of \$10 million approximately. So, is there an anticipated date? And how is the Tourism Authority working with them to help get these rooms filled?

The other thing is, I was not quite sure as to the Bermudiana Resort and what its main focus was. Is it families? Is it high net worth? I do not know, but if we can get an idea from the Premier as to what Bermudiana Resort's focus is.

**An Hon. Member:** Affluent.

**Mr. L. Craig Cannonier:** Oh, he said affluent, not rich? Okay. All right. Well, I am not sure if that is the answer, but if he can—

*[Inaudible interjection]*

**Mr. L. Craig Cannonier:** Also, he mentioned, still under page C-17, Tourism Authority Grant 6835, the Premier also mentioned that the Tourism Authority was intending to attract jet-setters and I totally agree with this here. And he also mentioned that they tended to be adventure seekers. I was hoping to hear from the Authority what some of the things are that we are newly incorporating that we would consider to be adventure-seeking attractions in Bermuda and what we consider to be some of those now. It could be scuba diving, but that has always been the case. What else are we doing to attract these jet-setters?

And I knew that sports was a focus. You know, I believe that things like the Red Bull high-

diving are some of the things that would certainly be something that we should be looking at. If the Premier can let us know how we truly intend to get some of these jet-setters here, especially when we know that they are adventure seekers. If you go online, Mr. Chairman, you will see that already they are travelling all around the world with some of these adventure-type activities.

The Premier also mentioned the Golden Boomers, which was quite interesting to hear [about these] multi-generational families where we are having the opportunity, due to COVID-19, to get together and attract these folks to Bermuda. I do not know what the hook is for Golden Boomers as far as Bermuda is concerned. But it would certainly be good to hear a little more about what they believe as to why they would come to Bermuda. Is it just because of our beaches and the likes? I do not know.

He continued on (and we are still on [page] C-17 Tourism) to mention that . . . he started talking about the airlines. And I want to know a little more about whether or not the . . . how is the Authority working with the Transport Department and the airlines to help assist in getting our airlift to what it needs to be? Maybe it is just advertising abroad. I do not know. But it would be interesting to see if they have more of a hand in working with the airlines with Government in getting more feet and bodies into these airlines and to Bermuda.

The Premier did mention later on . . . I was just asking the question beforehand and he mentioned it later on when he talked about sports tourism and the likes and that is the mega yacht business. For some of these sports activities I wanted to ask the question, Do we have a specific plan to attract these mega yachts? And the reason I am asking that is because they will take a few days to get here. They certainly will have been quarantined by the time they get to Bermuda, and it does appear to be rightfully highlighted by the Premier and the Tourism Authority that mega yachts would be an opportunity. How are we going to then entice some of these mega yachts? And what are some of the infrastructure things that we should be looking at to help entice some of these mega yachts to Bermuda?

It was good to hear about the jobs in Learn-to-Earn that has been going on. But the next question I had (still on page C-17 the Cabinet Office Departments, Tourism Authority Grant) . . . the Premier mentioned that a casino will be opened this year. Can he give us a timeframe of that? We know that St. Regis is opening, certainly, in May. Does he believe that the particular casino there would be open? Which licence would have this casino open this year? And I believe he was talking about the third and fourth quarter of this year, but if he can tell us when he is anticipating this to happen, if we can get a jump on that. And is that something that the Tourism Authority will be highlighting as well as an attraction?

The other attraction, which I thought was interesting, was weddings—the “I DO” campaign. I must give accolades to the Tourism Authority for coming up with that. And it will be interesting to see. I guess what I would like to know is how many weddings do we know took place over COVID-19 during this last year since March of 2020? Whether or not we did have people actually coming here to marry, knowing that it was a safe destination.

Under Sports, he mentioned also that sports would be a highlight of the Tourism Authority. And due to . . . considering our health and safety regime and how we have done well, I was wondering if there were any other events, other than the sailing that he was speaking about, that we are focusing in on. He did mention something a little about golf, but that has been a staple for us as far as sports tourism is concerned. Are there any other areas that we are looking at, or niches within the golfing? I mean, are we going to some of the large clubs of different ethnicities to entice them to come to Bermuda and to enjoy some of the golf and other sports activities? Are we looking at, potentially, sporting events, because of our destination being fairly safe, like football games and the likes, internationally, being held here? Is that a possibility? So, it would be nice to hear if that is something on the burner for this upcoming year.

The other thing highlighted, the Premier mentioned about people were staying three days more. I must say, I cannot recall . . . I remember we extended the time for people to visit Bermuda. I just do not remember what that time is off the top of my head. But I have heard from several people [who] mentioned that if they could stay a length of time, due to the fact that we are such a safe destination they would actually come for two months and stay here in Bermuda and reside here just for those two months on vacation. Whether or not we are looking at that I would like to know, because that is rightfully identified by the Tourism Authority and Government that this is a possibility.

And, again, I will end off on that part of Tourism by asking the question, again, as when I started out: What is the latest on the CEO post that is being actively held admirably by Glenn Jones, who is doing a great job, and where are we with that?

I would like to move to . . . I believe I had a question on the BEDC Operational Grant. If you will give me just a minute and let me just get my notes here. Oh yes, on page C-17, Mr. Chairman. (And I am again fighting for my video; I am having to use my phone.) Under the Cabinet Office Departments, 7000, BEDC Operational Grant.

**The Chairman:** [Page] C-17 Grants and Contributions?

**Mr. L. Craig Cannonier:** Yes, page C-17.

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

**Mr. L. Craig Cannonier:** The Premier mentioned about this annual business register that the BEDC was looking to upgrade. Can he give us a little more information as to how this is going to . . . what is planned to do with this info? He was kind of brief in what he felt was the plus to doing this here and I was just curious as to . . . for the entrepreneur who is out there, what would be the plus to this here?

The second thing he mentioned under BEDC Operational Grant on [page] C-17, was that they would be focusing in on technology and this virtual market platform, which I think is a fantastic idea. What I did not understand about it was, is it just a payment-type platform to ensure that these entrepreneurs who have things online can get paid? Or was it more elaborate where they were working on a full webpage? I was not quite sure if it was a centralised webpage for everybody to go on. If he can give us a little more information on how that exactly will work, maybe we can entice some more entrepreneurs to that.

And so that will complete my questions on the Head of Cabinet Office departments. Now, I do know if my Honourable Opposition Leader had a few questions on this particular Head, so I will let him do that, and then we can move on to the next, if that is okay, Mr. Chairman.

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

Opposition Leader, do you have questions arising from Head 9, Cabinet Office?

**Hon. N. H. Cole Simons:** Thank you, thank you, Mr. Chairman.

I would like to redirect your attention back to the London Office. Last year the Premier indicated that the London Office team continued to lead the Government's effort to run the BMU code to Bermuda's passports. Can the Premier give us an update in regards to Bermuda's passports and the BMU codes?

Now, I direct you to the Tourism Authority, again. And my question there is in regard to the aviation. It is my understanding that the Bermuda Airport Authority, BTA, and Ailevon Pacific were reviewing Bermuda's air service strategy and making recommendations. Where do we stand on that? What is the value of the Ailevon Pacific's contract?

Similarly, we had a joint cooperative marketing agreement with JetBlue. Is that still in place? And can the Minister give some type of indication as to how productive that was—

**Hon. E. David Burt:** Mr. Chairman.

**Hon. N. H. Cole Simons:** —and his plans for this going forward?

**Hon. E. David Burt:** Mr. Chairman.

**The Chairman:** Just a moment, Opposition Leader.

**Hon. N. H. Cole Simons:** Professional Services aside—

**Hon. E. David Burt:** Just a point of order, Mr. Chairman.

**The Chairman:** Mr. Simons, we have a point of clarification or a point of order.

#### POINT OF ORDER

**Hon. E. David Burt:** I will give a point of order, Mr. Chairman. Just right quick, in regard to this, I think it is out of order because the Honourable Opposition Leader is asking questions that will fall under another Head. These are matters of revenue guarantees and joint agreements with airlines that fall under the Airport Authority under the Ministry of Transport.

**Hon. N. H. Cole Simons:** Okay, that is fine.

**The Chairman:** Okay.

**Hon. N. H. Cole Simons:** I just thought the BTA was involved in that process and that is why I tied it in.

**The Chairman:** Okay, Opposition Leader, if you could continue, please, with any questions under Head 9 for the Cabinet Office.

**Hon. N. H. Cole Simons:** Yes, I am going to the Subjective Analysis, Professional Services, [page] B-42.

**The Chairman:** Page B-42, yes.

**Hon. N. H. Cole Simons:** Can the Minister or the Premier confirm whether or not the lobbyist group entitled “The Group” is still involved in our Washington efforts? And if they are still involved, how much are we paying “The Group”—which is a lobbyist firm—this year? I note last year it was budgeted for \$240,000. If he can confirm the details of this year’s engagement and whether they are . . . and provide details on their achievements.

Those are my only questions on Head 9. I have asked the other ones previously.

Thank you very much.

**The Chairman:** Thank you, Opposition Leader.

Do any other Honourable Members have questions under Head 9 before we go back to the Premier and the Minister?

**Mr. L. Craig Cannonier:** Yes, Mr. Chairman, I thought that we were going to go through all the departments. They requested that we go through all of the departments and ask questions and then come back.

**The Chairman:** I do not mind. Honourable Premier, do you want to answer the questions posed under Head 9 now and then move on to other Heads?

**Hon. E. David Burt:** I would strongly suggest, Mr. Chairman, that they go through all the questions so that we can try to provide all the answers.

**The Chairman:** Okay. All right. In which case, I do not know if we are over to MP Cannonier or the Opposition Leader.

**Mr. L. Craig Cannonier:** Thank you, Mr. Chairman. I will continue on.

*[Feedback]*

**Mr. L. Craig Cannonier:** If can move to the Post Office, which is Head 13 on [page] B-46. And, again, I recall some of the conversations we have had before. I want to thank the Minister for wearing his yellow and blue for St. David’s—wonderful—and commend Colonel Lamb for assisting with the presentation that we had entrusted to us today.

On B-46—

**Hon. E. David Burt:** Point of order, Mr. Chairman.

**The Chairman:** Honourable Premier?

**Hon. E. David Burt:** I am sorry, I am having difficulty hearing. I think the Opposition Leader needs to mute his microphone.

**Hon. N. H. Cole Simons:** Sorry.

**The Chairman:** Opposition Leader, could you kindly mute your microphone?

*[Crosstalk]*

**Mr. L. Craig Cannonier:** Is that better?

**The Chairman:** MP Cannonier, we have some background noise as well. I do not know if someone else told you, but MP Cannonier, can you please proceed?

**Mr. L. Craig Cannonier:** Okay.

**The Chairman:** We can hear you clearly now.

**Mr. L. Craig Cannonier:** Thank you, Mr. Chairman.

In the brief on [page] B-46 under Department Objectives, the Honourable Minister mentioned that there were seven substations. And under Department Objectives, *To provide all Bermuda residents with accessible, affordable and efficient mail service and delivery as required by the Universal Postal Union’s*

(UPU) *Universal Service Obligation (USO)*. He went on to mention about the seven substations.

So, I was wondering if there was any intent, as we go forward, to lessen those seven substations and what was the intent? What were they planning on doing with those buildings if they do intend to close down any of the substations?

He mentioned also that there was a three-year reform, and so I guess what I was wondering then is what other services will the Honourable Member with the Post Office . . . What exactly are the other services they will create as far as new revenues are concerned? I was a bit confused because he did mention that they were looking at providing opportunities for potentially other departments and the likes to receive revenues within some of these satellite substations. So, is he saying then that they would be receiving a fee off of providing the service within the substations? Or are we looking at other services that would be creating the additional revenue?

I note that he mentioned one of those being the MyUS.com or something like that, or MyBermuda.com. So could he elaborate, if there are any other services, exactly what the problems are? Is he looking to assist as far as being able to receive monies? We know that the parole office has been used here in Hamilton. And for some reason I did not realise that it was owned by the Corporation of Hamilton, but I am curious as to what the rent might be for that particular building. But I do know that the Health Department has been using it for testing.

So, if he can elaborate on that for us, on some more of what he believes to be new revenue that the Post Office will be generating for its livelihood and to ensure that we continue on with growing where they can in that area.

If you turn over to page B-48 under Post Office—

**The Chairman:** [Page] B-48?

**Mr. L. Craig Cannonier:** Page B-48, Head 13, Post Office.

**The Chairman:** Head 13, Post Office, yes.

**Mr. L. Craig Cannonier:** Yes. Under Professional Services I was wondering if . . . there does not seem to be a whole lot there, so it would not be a long list. Could he give us a list of those Professional Services that are being provided? It is a reduction I recognise, but if he can give us an idea of what those Professional Services are, who they are, as far as businesses are concerned or individuals, whatever, if he can give us a list of that.

If you go down to Insurance, I was just curious as to what . . . for \$12,000 what does this insurance cover? Is it for the bikes that we have? I am not quite

sure, and it would be good to know exactly what our insurance coverage is for \$12,000.

If we go over then to [page] B-49 under Revenue Summary, under Head 13, Post Office, it was difficult here, quite frankly, to follow on because he was adding up different item numbers under here. So, I am going to . . . I believe I got it, but I am going to attempt to ask some questions on this. Obviously, he can correct me where I might be wrong. He mentioned under 8312.06, Courier Service Fee, that it would be about \$600,000. I was wondering how he estimated that number when it comes to MyBermuda.com in affiliation with MyUS.com. Is that based on numbers that we already have and taking that fee and multiplying it, or is it a forecast? I am not sure how we got to that \$600,000. Can he help us out in explaining that?

If you go down just below there 8312.09, on the same page, Customs Declaration Fee, and he mentioned that he was waiving the \$5.00 fee for those who fill out their own forms. Can he tell us whether or not he believes that by introducing that \$5.00 fee that was a reaction that people then, actually in order to not spend that \$5.00, started filling out the forms themselves and so the department had to rethink the \$5.00 fee? Does he have an idea . . . if he takes in 10 for the day—different customers—how many of them does he suspect on an average have been waived? It would be good to hear from him a little more on that, assuming that people are just trying to save where they can.

Interesting, under Bulk Mail, if you go further on down, 8641 (and we are still on the same page B-49—8641). Bulk Mail is pretty consistent here. So as he was talking about it, he mentioned that essentially there is a decrease in the use of the service, but yet, the numbers are staying the same. And I was just curious as to why that is the case, if less and less people are using the—

**Mr. Christopher Famous:** Mr. Chairman.

**The Chairman:** Is that a point of order?

**Mr. Christopher Famous:** Yes, point of information, Mr. Chairman.

**The Chairman:** Is that MP Famous?

#### POINT OF INFORMATION

**Mr. Christopher Famous:** Yes. The MP Cannonier's screen was all black. I thought he might have been suffering a black-out or something.

**The Chairman:** Oh, I can see his screen fine.

**Mr. Christopher Famous:** It has come up now, it has come up now.

**The Chairman:** Okay. Thank you.  
Thank you, MP Famous.  
MP Cannonier, please proceed.

**Mr. L. Craig Cannonier:** Yes, let me try and get . . .

**The Chairman:** Proceed.

**Mr. L. Craig Cannonier:** I am sure the Honourable Member Famous loves looking at me, so let me make sure he can see me.

So, as we continue on down, I was just curious if he can give us an answer to that—the original amount and, of course, the estimate for 2021/22, exactly the same. But in his briefing, he mentioned how there is a decrease in usage. Why is that the case?

And he also gave an interesting statistic, which not only applied to bulk mail, but just mail, period, where in 2007 they were dealing with 50 million pieces and we are now in 2021 down to 5 million. That is a drastic drop in revenue, which, quite frankly, is quite devastating for this department, I am sure. And so I wish them well as they attempt to work through this. But I did hear some very creative stuff from him.

On this Post Office Box Rental Fee, on the same page B-49, 8759.01, this is very encouraging actually, these numbers. And I am curious as to what the Minister attributes this consistency here for Post Office Box Rental Fees, especially since so much is digital now. I am curious, that is quite admirable that the rental fee for the Post Office Boxes is still consistent.

If you will just bear with me a minute, I am going to go over to [pages] C-9 and C-26. And on page C-9 under Capital Acquisitions, if you go down to Post Office, actually, almost to the bottom of the page there it mentions under Post Office, 76013, Cycles. And in the estimate we are looking to spend \$44,000, and he mentioned that there is a need to have at least 43 bikes in operation to be effective.

And I recognise that we probably had not purchased cycles for about two years it appears and that was about 36 bikes. What is the life expectancy of these bikes that we would need to buy 44 more bikes within about a two-year period? Can he give us some information on that? Certainly, the bikes are on the road all the time. I mean, I speak to my person that comes to deliver mail down in St. George's all the time. So, if he can give us some information on that.

If we go over to page C-26, I believe it is (yes, C-26), and I am under Government Department Accommodation Rental. I notice that Head 13 Post Office . . . there is my answer to . . . we are not renting it looks like. So, the Health Department is renting from the Post Office. But under the New Venture House we are spending a whopping \$112,000—actually, almost \$113,000—more in rent. He mentioned that they were working some agreement with Public Works and it was a bit vague. So, if he can help us out. I know that

he is probably not happy with that number, if he can tell us exactly what is going on there and why it has increased to that amount, the drastic amount of \$112,000 almost \$113,000 more.

And what I will do with Post Office Head 13 is allow my colleague to ask the questions that he had before we move on to the next Head.

**The Chairman:** Thank you, MP Cannonier.

Opposition Leader, did you have further questions there?

**Hon. N. H. Cole Simons:** No, you may proceed. Thank you.

**The Chairman:** Okay.

**Mr. L. Craig Cannonier:** There might be someone else, I do not know.

**The Chairman:** I think the position is the Premier would prefer all the questions to be put.

**Mr. L. Craig Cannonier:** Yes, I thought maybe someone else wanted to ask questions, I did not know.

**The Chairman:** Yes. Does any other Honourable Member wish to pose questions in relation to Head 13 Post Office?

All right, there being none, MP Cannonier, are you to proceed or is it the Opposition Leader?

**Mr. L. Craig Cannonier:** I will proceed, thank you—

**The Chairman:** Yes, proceed.

**Mr. L. Craig Cannonier:** —Mr. Chairman.

And, again, I want to thank the Department of Statistics. I move to Head 14 on page B-53. I always do appreciate the work that the Department of Statistics does and, sometimes under stressful situations. And certainly, due to COVID-19, I am sure that trying to gather information was important and it will be interesting too as we move through this here to find out how much of a role they played in providing valuable information.

On [page] B-53 under Head 14, Department of Statistics, the third objective, *Operate a transparent and citizen-centric department by improving the understanding and use of statistical data and information*. I was curious, due to what this last year and COVID-19 and the need for so much information to be put out there, exactly who determines what new data is to be collected and where that comes from? Is it just by request from other heads or departments? Is the Department of Statistics actually engaged in a more central conversation that allows for this to happen?

I am sure that the Cabinet Office was seeking, probably, information as well. But if they can give us

an example of how the work is that they do and how they assist other departments in meeting their objectives, I think it would be very educational for the public to hear that.

If we turn over to [page] B-54 under Head 14 Department of Statistics. I recognise that two positions were defunded under Salaries. But if we go to Travel, they drastically slashed it, actually. When you are looking at numbers you are never quite sure, but it seems or appears to be specific. So, the estimate for Travel on page B-54, Head 14, Department of Statistics, is \$8,000. That sounds as if it is probably a specific trip that they are looking at, which will be vital for them, if they can tell us exactly what they are thinking there.

If you go down three more items under Professional Services, the estimate for 2021/22 is \$54,000. We did not hear from the Minister as to what those Professional Services were, so it would be appreciated to hear the expertise that we are using in order to get vital statistical information.

**The Chairman:** Thank you, Honourable Member. If I may pause you there just for a moment . . . Honourable Members we are now in the Committee of Supply for further consideration of Estimates of Revenue and Expenditure for the year 2021/22. We are having debates on the Cabinet Office departments and all of the Heads thereunder.

MP Cannonier, you will now have a new Chair. On my list it is supposed to be MP Tyrrell, but I think he swapped with the Deputy Speaker. So, I think the Deputy Speaker is now assuming the Chair, but, perhaps, the Clerk Somner could confirm.

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

**The Chairman:** Thank you, thank you, Honourable Member Pearman.

**Mr. Scott Pearman:** Yes.

**The Chairman:** On this debate for the Cabinet, it is scheduled to finish at 8:15 pm.

Continue, Mr. Cannonier.

**Mr. L. Craig Cannonier:** Thank you, Mr. Chairman, most appreciated. I am trying to remember where I was now.

Oh, I was on Professional Services—my apologies. I was just asking the question what exactly were those Professional Services?

Certainly, again I will repeat that we appreciate the work that they do. And I think one of the other questions that I had was under those . . . not Professional Services, but back on page B-53, under the Objectives. I was curious as to whether or not . . . what role did they play in assisting with the COVID-19 preparations and the successful work that was done in

getting information out there to the public? What role did they play in working with the Cabinet Office and the Department of Health in providing good data, if we can get an update there?

I do not know if anyone else has questions on the Department Head 14. Before I move on to the next Head, I will allow anyone else who has questions, if you will, Mr. Chairman.

**The Chairman:** Anyone else have any questions?

There appear to be none.

Mr. Cannonier, will you carry on?

**Mr. L. Craig Cannonier:** Yes. Thank you, Mr. Chairman.

I would like to move to Head 43, the Premier's favourite area. And I want to thank the Premier, just before we get into Head 43, which is on [page] B-61, for his in-depth summary. I know from the past this is a cherished department for him. And so, I have a few questions that I would like to move through here.

On page B-61 . . . he answered that, my apologies. He did answer that. I put down *lots of laughs*, Mr. Chairman. He did answer the question as to some of these Shadow IT posts. That is the first time I have heard of that description—Shadow IT posts—but the Premier did answer the question that I had.

I am going to move over to [page] B-62 under Head 43, Information & Digital Technologies. The Premier mentioned under Insurance . . . if you look at the estimate on page B-62 for Insurance, the sixth or seventh item down, \$517,000. Was that insurance all to do with software licensing (which is what he mentioned)? I was not quite sure if that encompassed all of the \$517,000. Certainly, I know that it is needed as he moves forward, if he can let us know exactly what is happening there.

And just above that, my apologies, under Communications on [page] B-62. The Premier mentioned the phone system transferred from Works and Engineering. It certainly is warranted, most likely, moving this here into the IT area. So, I was just curious as to, during the phase . . . he mentioned phases. But when did he believe that the completion of this moving the phone system would be complete? And the other thing I guess I was curious about, just with talking about the phone system, is I assume that this is the number one priority. Can he let us know the priority of the phone system, if it is the first priority? It appears to be with the savings that he mentioned—a whopping \$8.8 million we spend a year and that we could have a 65 per cent cost savings. Can he let us know when he is anticipating completing that? Because I do know that he is building through that?

Also, under Head 43, in his summary . . . and I would just really have to refer to the Objectives for this here, because it was in his summary. He mentioned that there were seven different focuses for this particular department. The ones that stood out to me

were the Infrastructure Stability of the Network and Cybersecurity. Under that he also mentioned an *AI Suite of Solutions*. I was not quite sure what he was talking about there. We know what AI is, but if he can elaborate on that to explain to us what he means by that and how it works with the phone system that we are looking to upgrade to.

The third item he mentioned was IT Governance, and he wanted to avoid fragmented individual systems. I guess what I wanted to—

**The Chairman:** What line and what Head are you talking?

**Mr. L. Craig Cannonier:** Yes, as I said, I am under the Department Objectives because he mentioned these things in his general summary. So I wanted to find out what they are about. He did not put them under an actual item number.

So, I would just refer to the department, these are the Department Objectives, he named seven of them—

**The Chairman:** Yes, yes.

**Mr. L. Craig Cannonier:** —that he wanted to go through.

So, when he mentioned these fragmented individual systems, I am keenly aware, and you would be as well, Mr. Chairman, the isolation of some of the departments. Was he looking to take a few on at a time before he does it across the board with this IT Governance and bringing this phone system under one? If he could tell us that.

One other question I had in this particular area, because he was quite in-depth, was how does encryption play into the security of our systems and cybersecurity? If he can elaborate on this. There was some mention of the cloud base, how does encryption play into all of this in safeguarding the government portal and safeguarding government information?

And lastly, he mentioned about the new CIO that had been hired. I know the gentleman well, Daron Raynor, and so I would like to also congratulate him on his appointment.

Mr. Chairman, I do not know if anyone has anything else before I move to Head 51.

**The Chairman:** Any further speakers?

**Hon. N. H. Cole Simons:** I do, Mr. Chairman.

**The Chairman:** Honourable Opposition Leader, continue.

**Hon. N. H. Cole Simons:** Okay, I have a number of items here.

The first item that I would like to speak to is . . . first of all, I would like to commend the Minister for

the overall strategic direction that he is taking. I think it is worth the journey and I think, as he says, it will improve the efficiency of—

**The Chairman:** I did not hear you, would you repeat that again? You said something about commending somebody . . . I did not hear it.

**Hon. N. H. Cole Simons:** I commended the Minister—

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

**Hon. N. H. Cole Simons:** —for the journey that he is taking, because it would make government more efficient and it is the direction that most large organisations are taking.

And, again, he gave an outlook on upcoming events for the year and so I am just tying my comments to that.

My colleague, the Honourable Craig Cannonier spoke to the cloud services. And my concern is that, yes, you buy a package for the cloud services, somebody manages those cloud services for you from a vendor. So how do we address the security in regard to storage? And I know we are going to have encryption in regard to access. But as far as retrieving and security data, from a security point of view, because it is managed by a third party, can the Minister help me understand that security feature?

We spoke about the Shadow IT posts and I understand that consolidation.

Can the Minister provide some details? He said going forward he was going to strengthen the infrastructure and the stability of the delivery of information by doubling the bandwidth. Where do we stand in doubling the bandwidth at this point in time? In addition, he said we will be able to have frontline users to provide self-service functions. Can he confirm when that will be in place?

He talked about the new integrated telephone system, which I believe he said will save approximately \$6 million. Is this the Cisco system that he was talking about that provides telephone, online conference facilities, et cetera?

Can he provide details on the IT Governance Committee and who they are? I support the e-payment system. I think that is the way forward.

And my last question on this section is, what percentage does he see with implementing the digital strategies across government? How much does he expect for our expenditures to be reduced by? After implementing the recommendations of this department, can we expect a reduction of national expenditures by 5 per cent, 7 per cent? I think if that is the case then it will truly be worth following up on this initiative. So, if he could give us some idea as to how much, after implementing his IDT strategies, how much the overall government expenditures will be re-

duced by because we are doing it for efficiency and cost.

I think those are my . . . hang on. Those are my only questions in this section.

Thank you very much, Mr. Chairman.

**The Chairman:** Thank you, Honourable Opposition Leader.

Are there any further speakers?

Mr. Cannonier, you had some more questions?

**Mr. L. Craig Cannonier:** Thank you, Mr. Chairman.

I would like to move to page B-65, Head 51. I am sorry, can you hear me?

**The Chairman:** Yes, I hear you.

**Mr. L. Craig Cannonier:** All right. Great.

**The Chairman:** You are not coming through loud, but if you can . . . I do not know, get closer to the microphone or whatever.

**Mr. L. Craig Cannonier:** There we go.

**The Chairman:** Okay.

**Mr. L. Craig Cannonier:** Much better?

**The Chairman:** Yes.

**Mr. L. Craig Cannonier:** Thank you, Mr. Chairman.

On [page] B-65 under Head 51, Department of Communications, I would just like to say thank you. I believe that they did a stellar job over the last year due to COVID-19 and informing Bermuda on the work forward. I do not have any questions at all. The brief was thorough. And I just wanted to echo the sentiments of the Premier on how great a work they actually performed under some really stressful times.

I do not know if anyone else has any questions. But if they do not, I will move to Head 61.

**The Chairman:** Continue.

**Mr. L. Craig Cannonier:** Thank you, Mr. Chairman.

On [page] B-69 Head 61, Department of Employee & Organisational Development, I would like to just move over to [page] B-71, right to the Performance Measures. The numbers are quite static, so they were explained quite well.

I am sorry, Mr. Chairman, I do have one question on Professional Services on [page] B-70. The Premier mentioned, Head 61, that the estimate for Professional Services at the bottom of the page, there was an estimate of \$627,000. I know that the HR in the past has spent half that amount, so I was just curious as to whether or not the estimate of \$627,000

was all due to HR or what were some of those other Professional Services that would fall under this Head 61 outside of the Human Resources?

If I could then move to [page] B-71 under the Performance Measures, under Management Consultant Services, . . . sorry, this was Minister Furbert, I believe. There was mention about the paperless initiative under Management Consulting Services, and also the subject was brought up under Management Consulting Services of a form system. He mentioned there were 30 forms to digitalise, and that is admirable. I was just curious, this was the beginning phase and they are moving now into phase 2. What other forms were they looking at and what departments did they fall under that we would be looking to digitise to ensure that Bermuda can go online and streamline and find more efficiencies?

He also mentioned about this phase 2 and he did not say enough about . . . more of what was going on in phase 2 under Management Consulting Services and in relation to operational and organisational needs, analysis conducted across government. If he can give us more information about what phase 2 entails under business unit 71000, Management Consulting Services.

And that was all I had for this particular Head, Mr. Chairman.

**The Chairman:** Any further questions?

**Hon. N. H. Cole Simons:** Yes—

**The Chairman:** Yes, Honourable Opposition Leader.

**Hon. N. H. Cole Simons:** —I would like to direct you, Mr. Chairman, to page B-71.

**The Chairman:** Yes.

**Hon. N. H. Cole Simons:** I just have two questions under this section. It is Output Measure 71000, Management Consulting Services.

**The Chairman:** Yes.

**Hon. N. H. Cole Simons:** It says, “To roll out a Performance Measurement & Management System for the Government Reform Initiative.” I note that it was discontinued. Can the Minister provide an explanation as to why that was discontinued?

In addition, if we move down to business unit 71020, Administration—

**Hon. Wayne L. Furbert:** Mr. Chairman.

**The Chairman:** Yes.

**Hon. Wayne L. Furbert:** The Honourable Member did not refer to which Head he was talking about.

**The Chairman:** We are talking about Head 61, the Performance Measures. His first question was under business unit 71000 and now he has gone to another. Continue, Honourable Opposition Leader.

**Hon. N. H. Cole Simons:** Just for the Minister's edification, I was questioning why the rollout of the Performance Measurement & Management System for the Government Reform Initiative was discontinued. So, that was my question, Minister.

Then I will refer you to business unit 71020, Administration, the third item, develop a public service compensation strategy. Can the Minister provide more details on that? Who is leading that initiative? And when does he anticipate having that strategy completed and made available and tabled in the House?

Those are my only questions.

**The Chairman:** Are you still on Head 61, Mr. Cannonier?

**Mr. L. Craig Cannonier:** Yes.

**Hon. N. H. Cole Simons:** Okay, I am going over to page B-72, unit 71060, Talent Management Services, develop succession plans as required for ministries. Can the Minister confirm that under this section we are also looking at succession planning for the permanent secretaries?

Then we move down to business unit 71080, Performance Management & Industrial Relations, provide advice and guidance to the permanent secretaries and heads of departments who require assistance with employees and industrial relations manager. What resources do we have in place for this? And who will provide the advice and guidance for our permanent secretaries and heads of departments?

And Mr. Chairman, that brings me to the end of my questions.

**The Chairman:** Any further questions on Head 61?

**Mr. L. Craig Cannonier:** Mr. Chairman, just one more question. I apologise.

**The Chairman:** Mr. Cannonier.

**Mr. L. Craig Cannonier:** Yes, on page B-71 under the same Head 61, under business unit Management Consulting Services, the Honourable Minister mentioned how they . . . I believe he mentioned there were some initiatives to harmonise some of their efforts across the board in performance assessments? I did not quite get it all. I wrote a note down and I was just wondering if he could just repeat what he mentioned about these performance assessment measurements, if he would. Thank you.

**The Chairman:** All right.

**Mr. L. Craig Cannonier:** Done.

**Hon. E. David Burt:** Point of order, Mr. Chairman.

**The Chairman:** Yes, Honourable Premier.

**Hon. E. David Burt:** I am just having difficulty hearing the Honourable Member because the Opposition Leader's microphone is open and there is an echo because they are in the same room.

**The Chairman:** Okay. I think Mr. Simons has muted his microphone now.

Do you want to repeat that—

**Mr. L. Craig Cannonier:** The question?

**The Chairman:** —Honourable Member Cannonier?

**Mr. L. Craig Cannonier:** My apologies. I think you guys got big fingers hitting the wrong buttons.

The question was . . . the Honourable Member had mentioned something about Performance Assessments and Measurements under the business unit on page B-71, Management Consulting Services. And I was curious, when it says, *To roll out a Performance Measurement & Management System for the Government Reform Initiative*, if there was a desire to try and harmonise these performance measurements across all departments throughout government civil service. That is it.

**The Chairman:** Continue, Mr. Cannonier.

**Mr. L. Craig Cannonier:** Thank you very much.

Moving over to Head 80, Project Management & Procurement.

**The Chairman:** Head 80, yes.

**Mr. L. Craig Cannonier:** Again, I want to thank the Honourable Member. He gave some good details here as to where the Project Management & Procurement team is.

On [page] B-77 under Performance Measures, I was just curious, under unit 90000, Administration (Project Management & Procurement), compliance . . . did this Head play any role in the massive work that needed to be done throughout the COVID-19 period?

He also mentioned, under the second item under that same unit Project Management on [page] B-77, *Project management, procurement and contract compliance audits on capital projects completed*. He mentioned under this particular area about unsolicited proposals. And that was always something that . . . while I was there I was always fascinated by how we could fairly get that, someone bringing a new idea to the table. If he could tell us, because they are moving

forward with these unsolicited proposals, what is the matrix that are being used, that they are using, what is the methodology so that people feel like they get a fair share, a fair opportunity, when they initiate a proposal to Government?

Also, under this particular item, Administration, in the Project Management & Procurement, contract and contract compliance, I was just curious, are they also assisting with other departments, like Public Works and the likes, with the \$13 million injection into the economy, is Project Management planning a role in helping to manage many of those small projects that are going on?

And that is all I have for this Head.

**The Chairman:** Any other speaker that wants to speak to Head 80?

**Hon. N. H. Cole Simons:** Yes, while on the Performance Measures, if you go to the third from the bottom—

**The Chairman:** Yes.

**Hon. N. H. Cole Simons:** —*Primary legislation to enable new project and procurement governance and to transpose new Procurement directives into Bermuda Law.* Can the Minister provide details on the legislative agenda for the coming year that will dovetail with this?

Mr. Chairman, I am very, very concerned that a number of very important issues that are listed in the Performance Measures are not being addressed. And if you look at notes—

**The Chairman:** Honourable Member, just ask the question opinions are not welcome in this debate.

**Hon. N. H. Cole Simons:** Okay. So, I will ask this question, Mr. Chairman, How is this Government going to manage the risk of not addressing the issues because of the lack of staff and tools? There are one, two—

**The Chairman:** Just ask the question.

**Hon. N. H. Cole Simons:** —three . . . I asked the question, how are they managing the risks?

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

**Hon. N. H. Cole Simons:** One, two, three, four, five, six, seven, eight, nine, ten, eleven . . . eleven of the Performance Measures cannot be addressed because of the lack of staff, tools, documented processes and technologies. So, I repeat my question, How are we going to manage the risks as a Government if these things are not being addressed?

**The Chairman:** Thank you, Honourable Member, Honourable Opposition Leader.

Any further questions on Head 80?

There appear to be none.

Any further questions at all?

**Mr. L. Craig Cannonier:** Mr. Chairman, if it pleases, I will move on to Head 94.

**The Chairman:** Continue.

**Mr. L. Craig Cannonier:** I believe this is the last Head. So, we move on over to [page] B-78, Head 94 Economic Development. And my apologies to the Premier for assuming that . . . I thought that Tourism fell under this particular department, and it is under Cabinet, so, my apologies.

Under the Department Objectives when the Premier was speaking, this is definitely also another area that he appreciates and gets right into. Under the objective where it mentions, Position Bermuda (the third bullet item) Position Bermuda as an ideal test-market, I recognise that under this particular area . . . digital nomads, if you will (I am not sure if that is the technical term to use). We have been successful in getting folks to come here during the COVID-19 period. Were there any other areas that the Premier can identify that we have used as a test market into other industries, potentially?

He mentioned also that FinTech will continue to be a focus. But, certainly, Economic Development has a broader scope in looking at whatever idea and opportunities, if he could mention some of these other areas that he believes we could be a test market for and whether or not he plans on going into these areas if we have not already.

Also, on page B-79 under head 94 Economic Development, under the General Summary, if you go down, Mr. Chairman, to unit 9405, Concierge & Engagement, and item number 104120, Concierge Services, I see that we have not allotted an estimate amount here for the Concierge Services. I do recall a lot of conversation around this area, so I was just curious about why we should have a Concierge Service and where there was a gap that he saw as to why we now have decided this year to not use the Concierge Services that were a bit of a fuss.

**Hon. E. David Burt:** Can I just do a point of clarification, Mr. Chairman?

**The Chairman:** Yes, Honourable Premier, continue.

#### POINT OF CLARIFICATION

**Hon. E. David Burt:** I just want to help insofar as his question, because I know it was a question which I had as well. And I am going to assume that the Honourable Member is referring to page [B-]79.

**The Chairman:** Yes.

**Hon. E. David Burt:** And looking at the fact that in the 2021/22 estimates all of the various items are under zero, and that everything is rolled under Administration. The fact is that I covered the department inside of it. All of these departments are continuing to be funded. So, I do not want you to think that they are not funded; it was just a budgeting thing that they move those to Administration. So, along the lines of your question, I am happy to speak about it, but they were not stopped. I just want to make that clear.

**Mr. L. Craig Cannonier:** Yes. Thank you very much for the point of clarification, and thank you for allowing me that information, Mr. Chairman.

Yes, I would love to hear some more about what it has accomplished over the last year because I do believe that you eloquently spoke in the past of the gap that was there, and we want to make sure that we are taking care of businesses setting up in Bermuda.

With that in mind, we turn over, Mr. Chairman, thank you.

**The Chairman:** Anything further Honourable Opposition Leader or Member Cannonier?

**Hon. N. H. Cole Simons:** Yes, Mr. Chairman, I have a couple of questions.

**The Chairman:** Yes, Honourable Opposition Leader, continue.

**Hon. N. H. Cole Simons:** [Page] B-79, line item 104130, FinTech.

**The Chairman:** Yes, yes.

**Hon. N. H. Cole Simons:** The Premier indicated that he had a number of new clients coming in—IG International, Nayms, Bittrex Global, and Diamond Standard, and one other one (I did not get the name). So, my question for the Minister is, Can he summarise the number of employees that each of these companies will be bringing to Bermuda when they come?

**The Chairman:** Thank you.

That is it, Honourable Member?

**Hon. N. H. Cole Simons:** No, no, no, that is not it.

I note that he also has plans for EEZ incubator hubs—one in Somerset, one in Hamilton and one in St. George's. Are we renting those buildings? You spoke about the Fourth Building. Are we renting each of the sites? And if we are renting them, I do not remember seeing them in the Budget Book. So, if you could provide clarity. And is there a cost to customise each of the buildings for the services that we about to offer our community?

Just bear with me, sir.

**The Chairman:** Are you complete, Honourable Opposition Leader?

**Hon. N. H. Cole Simons:** The other question I would like for him to answer is to summarise, under Head 9404, Research & Legislative Support, can he also summarise the legislative agenda for the coming year?

If we flip over to [page] B-80, Corporate Services and Concierge Services, can he differentiate what he does in the Cabinet Ministry and what is done in the Bermuda Business Development Agency? I think there is a bit of overlap there, and I would like to have some clarity on how we are going to address that overlap.

**Hon. E. David Burt:** Could you just repeat that one quite quickly please, Mr. Chairman?

I am sorry, Mr. Chairman.

**The Chairman:** Yes.

**Hon. N. H. Cole Simons:** You spoke to Corporate Services and Concierge Services. I am aware that the BDA does that, and I have a sense that you are also doing that in the Cabinet Office. So, can you provide clarity as to why both organisations are providing that service? And is there any overlap?

Those are my only comments, Mr. Chairman, thank you very much.

**The Chairman:** Thank you, Honourable Opposition Leader.

Any further questions on Head 94?

Any further questions at all?

Mr. Cannonier, does that complete the questionings from the Opposition?

**Mr. L. Craig Cannonier:** Thank you very much, Mr. Chairman, it does.

**The Chairman:** Okay.

Any further questions from any Honourable Member?

There appear to be none.

Opposition Leader, are you satisfied all the questions have been asked at this point?

**Hon. N. H. Cole Simons:** You may proceed, Mr. Chairman.

**The Chairman:** Okay.

Ministers, can you please respond?

**Hon. E. David Burt:** Mr. Chairman, so shall we pick up?

**The Chairman:** Yes, you can.

**Hon. E. David Burt:** Okay. Thank you very much.

I will try to run through the answers as best as I can. So, we will start with Head 9, and then I guess we will go Head by Head because some of these are mine and some of them belong to the Minister for Cabinet Office.

The first set of the questions was on the Commission of Inquiry. There was a question from the Opposition Leader asking what will happen after it is done. It is an independent commission; I cannot pre-judge what they may or may not say or what they may or may not do. So the Government is going to wait to see what they may or may not say or may or may not do.

In regard to the rent, the question of where the office was located, I think the Opposition Leader did have it correct. I do understand that it is Sofia House on the top floor.

There were questions in regard to the Brussels Office. The first question in regard to the Brussels Office was about the law firm that is over there being used. Clearly, the Government of Bermuda has a relationship with Steptoe & Johnson, but most of that is through the Ministry of Finance. I deal with matters more over there on less matters that are down here inside of the Cabinet Office. Our engagements typically run through the office itself, with Ms. Aliyyah Ahad there on the ground.

In regard to the question of office space and the increase in the price of the rent, it is very, very likely that . . . yes, okay. So I have the answer. The lease agreement has not changed. And so, I am reminded that for rents, the Brussels Office is in a We-Work type of facility, I think it is spaces, so it is shared office space, it is not its own sole office space. And the answer which I have is that the lease is €4,198 a month. It has not increased. A little extra was budgeted to simply account for the foreign exchange. That is the answer that I have in front of me, which has been relayed.

Now, in regard to the DC Office, the answer is that we continue to use “The Group” (which was asked by the Opposition Leader), and there has been no change in the funding that is paid to The Group. The Group is paid \$20,000 a month and they are retained for \$20,000 a month to handle all of our United States’ affairs.

In regard to the question of the Office, there was a question as to why there was a lower figure for the office rent and the revised figure for the higher office rent. And that was because there was the expectation inside of this fiscal year that we would be able to sublet the office and, clearly, the coronavirus kind of happened and office space was one of the things that are certainly not in demand. Therefore, that is the reason why it was put up to the full [amount]. It

is still attempting to be sublet. That is still the current plan.

There are offers that are there that the Government of Bermuda is currently examining. But the full thing was priced in because there is still a level of uncertainty. And so at the time of the putting together of the Budget Book there was not a lot of movement because people actually wanted to see what the change in administration, whether or not there would have been a change in administration. So now that there is a change in administration, there are offers that are coming in. So the Government is examining those offers and we are able to move forward.

There was a question in regard to the London Office—

*[Inaudible interjections]*

**Hon. E. David Burt:** Sorry?

**Mr. L. Craig Cannonier:** Mr. Chairman, just a clarification on the question that I had asked.

**The Chairman:** Yes, continue, Honourable Member.

**Mr. L. Craig Cannonier:** Thank you, thank you, Honourable Premier.

I also asked a question of how long the contract was for and when was it renewed?

**Hon. E. David Burt:** You are correct. Thank you. The contract is for five years . . . the rental contract is for five years. And it was 2019 when it was renewed.

On to the issue of the London Office.

**Mr. L. Craig Cannonier:** The timeframe, the date?

I mean, to say 2019 is fine, but is it October, is it November—

**The Chairman:** Honourable Member, when you address—

**Mr. L. Craig Cannonier:** Oh, my apologies, Mr. Chairman.

**The Chairman:** Premier, you can answer the question.

**Hon. E. David Burt:** I will look to try to get the Honourable Member the answer. I had to tell him 2019, but we have technical officers who are diligently working, so I will look to get the Honourable Member the answer as to the month when that lease was started.

In regard to the London Office, there was a question regarding repatriation of Bermudians due to COVID-19. Repatriation on these flights is managed on a specific case-by-case basis, understanding situations, and ensuring that Bermudians were given the

first opportunity for repatriation based upon the seriousness of their case.

The first flight was based on priority of providing availability on the flight for senior citizens, who had travelled, those who came to medical . . . I am sorry, to those who came to the UK for medical reasons, and students and Bermudians living alone or those in more distressed circumstances. The first flight was shared with Cayman and their citizens and we negotiated our numbers, trying to split the seat availability.

The second flight, two weeks later, was solely for Bermudians who were unable to make the first flight and were provided full and open access on the second flight if they were ordinarily resident in Bermuda.

The next question was the issue of the passports, a continuing vexatious issue. The response that I have is that we are in continued conversation with the Home Office. At the moment it is officials in the Home Office balancing overall budget strategy within the workings of the UK Government. Again, this is a budget issue, not something else as the Government of Bermuda has balked at the price tag which they are asking the Government to pay for a choice in decision that we ourselves did not make.

It says that we will have a clear position either way in the coming months, or with the UK budget year. However, as I think may have been reported previously, when a question was asked in the House, a presentation was made to the IKO Working Group on the invitation of the FCDO Minister Lord Ahmad to make sure we state the case. So, the real issue right now is the cost of how much it is going to be, and the discussions continue with the Home Office from a budget line item to find out where we are going.

If I can then . . . sorry, Mr. Chairman, move to the questions on PATI and PIPA. There were questions regarding consulting services. The consulting services have been primarily on the privacy side with experts in privacy and data protection for the following: input into PIPA amendments in light of global privacy developments with future adequacy and equivalents; applications with other jurisdictions in mind (so, that just means that we want to make sure that we are keeping up our regime so we can be compliant with GDPR and other international equivalency, which is necessary); development and provision of privacy and data protection training, both general and focused; assistance in the mobilisation of the privacy framework and implementation of planning; assistance for the development and implementation in implementing the strategy for EU adequacy, and that is entitled GDPR; and assistance in developing the strategy and programme for other countries applying to Bermuda for adequacy recognition (so those are the other people who want to say that they are compliant with Bermuda's privacy regime).

There was a question . . . I will get to Tourism. I will handle Tourism all in one. The next question was

Professional Services breakdown. And I am happy to provide the Professional Services breakdown. It encompasses all consultants and contractor fees for the whole of the Cabinet Office, including foreign offices, as well as the National Health Emergency Fund budget.

They are:

- \$250,000—National Health Emergency Fees;
- \$187,000—CARICOM;
- \$240,000—The Group (that is the DC Office);
- \$475,000—the London and Brussels Office, its consultancy fees, the Brussels representative, Firehouse Communications, Dods Parliamentary Communications Ltd. for both the London and the Brussels Office;
- \$170,000—the PATI and PIPA consultancy professional fees;
- \$180,000—for the negotiation team that is budgeted, negotiations are on hold, so they are not progressing on with that, those monies are in the budget but not being spent; and then
- \$120,000—Human Resource amalgamation consultancy fees.

And those are the breakdowns in Professional Services.

Moving on to a question that was asked regarding the five-year Public Services Plan. There was a question who is implementing the Plan to make sure that it is executed. The key point is that the Plan has to be put together before the monitoring happens. And so, the first phase of the Plan was to enhance what was done in CBD. So, there was a large presentation that was made to the Cabinet, I want to say last year, where we went over the various inputs that would go into the Public Services Plan to identify the five stages, (which I think the Honourable Member Craig Cannonier remembered all five of them), whether it was essential, and those various options. So, those will then be done. But that work has not yet been completed. So the categorisation of all the services that the Government of Bermuda offers, that categorisation has not been done. Once that is done, that then gets rolled into the five-year Public Services Plan and then we can monitor it. This is laying out the project that is going to happen, but that has not yet been completed.

There was a question about how we determine what is in, what is out. I will ask the Permanent Secretary for the Cabinet Office, who is here, if we can share the input of the documents. We do not have to go through parliamentary questions or anything like that, I am happy to share it with you, it is rather robust, and it shows the various factors that will go into the analysis of the services which are offered and provided by the Government of Bermuda as we look to our five-year Public Services Plan.

There was another question regarding gross misconduct cases. And so, the number of gross mis-

conduct cases was seven, which were referred to the Head of the Public Service during the period of 1 April 2020 until today. The nature of cases—aggression and derogatory comments to manager, operating a public service vehicle under the influence of alcohol, repeated absence from duty without approval, intimidation of colleagues, theft, and insubordination. Resolution, some cases are still pending, resolutions range from suspension without pay to ending contract with employee.

The Honourable Member Mr. Cannonier, asked where are we going with the Travel budget? And that has not yet, in any way, shape or form, been determined. I do believe that travel will recommence, but there have been no specific plans which have been laid out. So, I do know that the Bermuda Tourism Authority has invited me to travel and we had to decline that because I am not comfortable travelling entirely yet, even though I have had my two doses of the vaccine. I am just going to wait a little bit before we hit the road to promote Bermuda. But, at this point in time there is no particular travel [planned].

I do want to make sure, Opposition Leader, that it is made clear that the Travel budget which is located inside of the Cabinet Office is not just for me, myself and I, as you said, *the Premier*. There is an entire apparatus, including London Office, including Brussels Office, and including the things that are on that side of the world. So it not just the travel for the Premier himself. I just want to make sure that this is clear.

I covered Professional Services, BEDC, there was a question of the Innovation House—I will get back to BEDC—as the director is finalising.

I will then go to Tourism, which is all under Head 9. So, the first question was why was the grant to Tourism reduced? The grant to Tourism was reduced because when we came to this very difficult budgeting conference, the Ministry of Cabinet Office reduced its cash limit that was assigned by the Ministry of Finance by \$2.75 million to make sure that we could give money to Health and to Education and to Labour for our training items. So, this was all about trade-offs when we sit inside of this room to make sure that we can fund the priorities.

There was a million-dollar reduction that came from the Tourism Authority budget. There was reduction, as you saw, from the Bermuda Economic Development Corporation, and also a reduction for the Bermuda Business Development Agency as well. So, that is the reason why and, you know, the Bermuda Tourism Authority, as I said in my brief, has adjusted and streamlined.

Okay. There were a number of questions on Tourism so I will try to get through them. There was a question from the Opposition Shadow Minister regarding Workforce Development and casinos. The answer that I have for the Honourable Member is that a spectacular St. Regis Resort will debut in St. George's,

due to open on May 22, 2021 with 121 hotel rooms. And then not far behind, of course, was the refurbished housing project on Warwick's Southshore which is scheduled to open as a new hotel property in the second half of this year, bringing an additional 50 to 70 rooms.

And I think that was from the brief which I said, that the Bermudiana Beach Resort is a Hilton Tapestry Resort. And I think that colleagues in the room had given the answer, but it is for mid-priced tourists. So, St. Regis is very expensive. You can go online and look to see how much the rooms are for their opening weekend, Memorial Day weekend. A friend of mine from New York was thinking of coming down and he said the rooms were there, but that is where St. Regis should be. You can get rooms in June though, Honourable Member, if you want to go up and stay and go back to your stomping ground in St. George's for \$600 a night at the St. Regis. So, I think they are running a buy-three-nights-and-get-one-free special. So, you know, it will be wonderful to sample the air up there in the East End. Their question was, who will it serve? As I said, it is a mid-range item.

The next question was regarding Workforce Development and training for casinos. St. Regis plans to open a casino after completing its qualification process with the Bermuda Gaming Commission. It is anticipated that there will be the launch of the casino school. So let me just explain the process which we are going through with St. Regis, because the one thing that we certainly do not want to do is . . . we are making sure that we get this casino open as quickly as possible and that is something that is particularly important. And so, there is a process that the Government of Bermuda is not involved in and that process is with the regulator.

They are going through the regulatory process. But there are processes which we are involved in and one of the things is that, as you can know, if you are dealing with step A, step B, step C, step D and all of them have different things, what we are doing is we are trying to do steps A, B, C, and D all at the same time. So, there were certain permissions that may have been required for the importing of certain machines and other types of equipment—all of those things are happening simultaneously. So, once the due diligence items are completed, then we do not then have to move step 2 and step 3 into step 4. So matters which are dealing with training and others are commencing all at the same time. So, that is with . . . that is for that question.

There was a question regarding when cruise ships will return. There is no certain date for the return of scheduled calls at this point in time. But I refer to inside of my statement, which is something that I have alluded to before, is that we have inquiries for cruise ships who want to berth from Bermuda and make Bermuda their home port. So we are continuing with

those discussions. The Cabinet will be discussing this going forward. No decisions have been made as of yet, but we are working through it. And so, the brief that was provided by the Bermuda Tourism Authority said that the Bermuda Tourism Authority is working with the Government of Bermuda on the plans regarding cruise ships. So, that is the answer there.

There was another question in regard to what we are doing to attract jet-setters and why do they come to Bermuda? The introduction of jet-setters and the introduction of new hotel products that serve the audience, including St. Regis, and new charter flights and, of course, the Loren. Proximity to the key markets of New York and Europe allows for easy access to the destination, and the hotel product available to serve this audience, including high-end villas and select properties. So, that is what is being done on that side.

There was a question from the Shadow Minister of Tourism regarding weddings in 2020/21. The majority of our weddings in 2020 were postponed due to the pandemic. However, our sales team has identified key outlets across Bermuda that provide open air and focus on outdoor facilities. We are exploring new weddings and launching “I DO ISLAND” promotions, and supporting long-term relations with wedding travel partners. I think it is important to state here, that from a competitive perspective, that Bermuda cannot afford to be stuck behind other countries.

And so we have a position where we have identified ourselves as safe, but as we are seeing the very quick increase and ramp up of vaccinations which are happening in the United States, we are also, at the same point in time, recalibrating our outlook on how we are going to make sure that we serve this market. Because it is not to say that we are trying to go in a race to the bottom, so we are not trying to drop our protocols for anyone, but we will be in a competition if we basically say in Bermuda, you know, we are not going to move away from a case that you have to be vaccinated in order to come to Bermuda without restrictions. But the thing is that there will be . . . it is going to then be a question of what the restrictions are and how does that factor among people looking to choose destinations. So, that is something that is dynamic, but we are making sure that we are streamlining the approval process.

So, we have gone through and streamlined the approval process for sporting activities and for weddings so that we can make sure that the sales team at the Bermuda Tourism Authority can say this is what you need—X, Y and Z—and they are not basically going through a process where they have to go ahead and apply to the Ministry of National Security and wait for a response. There is an understanding that once these things are done approval will be given. And that is the way that we are looking to speed that up.

In addition, what was mentioned was that we are launching an “I DO ISLAND” promotion to support long-term relationships with travel planners.

There was the next question about what we are doing to attract mega yachts—this is from the Tourism Authority. Why mega yachts? In 2020 we had 46 superyachts, which yielded an estimated economic impact to Bermuda of \$2.3 million. The benefits of mega yachts are that they attract high net worth individuals who spend a longer time in Bermuda and spend larger amounts of money.

The superyacht strategy and what are we doing to attract mega yachts? It is the right events, SailGP, Clipper Race, twinning with other like-minded superyacht destinations that begins later this month. As I have said, the Bermuda Tourism Authority wanted me to travel to Miami, but we found a way to do that remotely and do that. Influencing decision makers—superyacht brokers, captains, and owners. Driving charter business based on the new legislation. And currently, you know, you also have to have mega yacht ports, so there is going to be work that is going on in the East. Unfortunately, [INAUDIBLE] and Caroline Bay, of course, are in disputes and we have what is actually Hamilton Princess, which, I think, there is a nice mega yacht there now, if it still here or it may have left.

Next week the chief sales and marketing officer will be in Ft. Lauderdale, Florida developing relationships and strategies with the Ft. Lauderdale destination marketing organisation and will host an event with myself, firstly. Those are the events and then there are a number of superyachts scheduled to come to Bermuda for the SailGP, the unofficial start of our mega yacht season.

The plan is to build a mega yacht pier and the infrastructure investment into water and sewage in the west that will assist in a mega yacht pier also to be constructed in St. George’s.

There was a question from the Opposition Leader around organisational efficiencies and headcount management in the Department of Tourism. And there was a question first on New York. There is in the New York Office Douglas Trueblood who has been hired as the new chief of sales and marketing officer. And effective April 1<sup>st</sup>, the headcount in the New York Office will be 11 persons.

And regarding vacancies, there were eight vacancies that have been open for more than a year, in part due to COVID-19. Action taken, after a review of those eight positions and talks with our sales and marketing agencies, some of the posts have been transitioned, others have been transferred into other places in the organisation. Additionally, there is a need to hire two persons on the sales and marketing team who are critical to recovery and both of those positions are Bermuda-based. And so, this, of course, is of no additional cost to the organisation, but the salary budget will be reduced.

A question regarding consolidation of roles. There are four roles which have been consolidated into two. One takes effect immediately, the other one takes effect on April 1<sup>st</sup>. One role is New York-based, the other is Bermuda-based. The result is to create advancement opportunities for Bermuda talent. It has resulted in the promotion of two Black males at the Bermuda Tourism Authority and also assisted in the further efficiencies at the BTA in regard to their budget. Because, of course, not only were you concerned that the grant for the Bermuda Tourism Authority (which they are getting from the Government of Bermuda), but it is also the additional revenue which they earn outside with the other activities that they get from taxes, et cetera, which, of course, are not as plentiful as they once were.

Okay. I think there was a question (and I had seen an email had come through) in regard to the CEO. I will try to find that as I have currently misplaced it. And BEDC? You were going to tackle the Shoreside Facility question, go ahead.

**Hon. Wayne L. Furbert:** Honourable Member, you asked a question about Shoreside Fisheries Facility. BEDC is actively working and meeting with the Fishermen's Association of Bermuda (FAB).

You asked [for] those members on the steering committee for this facility. Really, I have been joining in and as a matter of fact I am working to progress the facility at Marginal Wharf. In fact, Marginal Wharf was also suggested by them as the location, and I am in support of them. There are no concerns from the FAB with the location in the east. They indicated that there is likely to be a drop-off location in the west, which is linked to the east facility.

I think it was \$375,000, I believe the Honourable Member Craig Cannonier had asked about that. That money will be spent this year. The money will be . . . is for drawing up plans to locate the facility, a feasibility plan will be done, update on the business plan will be done, and drawings will be done. So, that \$375,000 will be spent this year and we also plan to actually start putting some shovels in the ground to get the facility up and going. But there was no real concern by FAB (or the Fishing Association) in Bermuda in regard to the location.

Thank you.

**Hon. E. David Burt:** Okay [there are] a few more questions on BEDC and I think that will end Head 9 so that we can move on to other Heads.

There was a question regarding incubator hubs and the rents that this unit paid for them. In St. George's the BEDC is not paying any rent. It is a peppercorn rent because the BEDC was responsible for upgrading the space, so in exchange for upgrading the space they got the rent at a peppercorn rent, so the space was upgraded and so they paid the infra-

structure costs for a number of years. The rent will be negotiated after three years.

Somerset the rent is \$1,733 per month or \$20,796 per year for three years. And then the rent was offset by a certain amount to advance the landlord to assist with renovations and upgrading to the property as well.

There has not been a place that has been identified in North East Hamilton as of yet. However, there are eight identified start-ups there in the main office of the BEDC and what they get is mentorship, courses, physical space and international contacts. And they have wrap-around services to make sure that these start-ups are successful. And once all of them are up and running, the anticipation is that there will be 25 to 30 start-ups.

We know all of them will not succeed, but one thing the BEDC always reminds me because I always get nervous when I see reports that come in, that the fact is, kind of like in banking and other things, that you are not going to win every bet, so it is a question of making sure you win more than you lose and to continue to generate. So, the BEDC has had a pretty good record of risk management thus far and so, I am going to trust that they have done a good job on this right now.

Moving into virtual markets, which is one of my key things that I know that I have been pushing, the virtual market will be a full-service website and the site will perform all payment processes for businesses on the platform. It will connect consumers with products, consumers to services, and businesses to businesses. New start-ups will be on the platform for free. Small businesses will also get access initially and complimentary. After a period of one year, those are the things that will be re-examined to see whether or not they will be transitioned to other platforms. But the view of this is to make it easy for businesses to get online and to go ahead and provide goods and services to persons through one item.

And I can just give you an example of why this is important. I do not know if it was the Opposition Leader or the Shadow Minister that asked the question, a trainer was having a difficulty getting a loan because there is no record of transactions if you are getting cash or different exchanges like that. And so, this will allow persons who are providing services to be able to issue invoices and accept electronic payments and, therefore, will be able to at least have a record of items so when they go to a bank or go somewhere they can at least show a record of their income and an understanding when it comes to loans. So, that is a practical example of why these things are useful and why they make sense. And it is not just for goods, but it is also for services.

In regard to mandatory business registration, this is something that is only going to be required for sole proprietorships as there are other processes and

platforms and organisations responsible for registering limited liability companies, LLCs and partnerships.

The one thing which we want to make sure is to make it seamless, and with the plan that the government is not to add additional red tape, bureaucracy, and/or expenses to businesses. One of things which we are working on—and this is a plan that is going forward so, the Cabinet has not finished giving its full opinion on it—is in regard to going and registering your business for this one registration. And that automatically registers for your social insurance, registers your . . . you are registered in one place. So it is a one-stop shop. We have been talking about this for a while and it is a little bit more difficult to get done when there are other competing priorities, but that is the plan for the mandatory business registration, which interestingly enough is in the Act.

The BEDC licence has been licensing vendors since 2015. Vendors pay \$100 annually. And there is currently a COVID discount of 50 per cent. There is currently no oversight process for sole proprietors, outside of vendors. As I said, the benefits of registration, a one-stop shop for new start-ups to link with all the other things—payroll tax, and social insurance, access to data to collect for the businesses who may register and they get access to services, and also a licence to validate their official business, which in most countries, is actually needed or required if you are going to access services as a business.

The other thing is that Bermuda's Deposit Insurance Company is requiring small companies, Limiteds and LLCs to have bank deposits insured and they must be on BEDC's register to get the preferential rates for financial institutions as well. So, there is also going to be negotiated discounts for access to services and products from entrepreneurs and business and other benefits to be negotiated. So, that is the plan when the BEDC moves forward to business registration.

Anything else on BEDC, or Head 9, Minister?

**Hon. Wayne L. Furbert:** No.

**Hon. E. David Burt:** Okay. I think that ends us on Head 9, Mr. Chairman.

I guess that takes us to the Post Office.

**Hon. Wayne L. Furbert:** Member—

**Hon. E. David Burt:** Just one, let me pop in on Head 9, just so I can finish. Sorry, Mr. Chairman, sorry.

A response did come in, so I have two. First, the DC Office—October 1, 2019. So that is the answer you asked for renewal, October 1, 2019.

Second is in regard to the CEO search. Currently, a CEO search is underway. Interviews are happening and the BTA is looking to have an appointment by April 1, 2021.

Mr. Chairman, if I may yield to the Minister for the Cabinet Office to do Head 13?

**The Chairman:** Okay.

**Hon. Wayne L. Furbert:** Colleagues and Honourable Members, questions were asked in regard to the Post Office and I am going to kind of go through them one by one.

Honourable Member, I believe, Cole Simons (I can't remember whether it was Member Cole or Member Craig Cannonier) asked about the seven suboffices and what is the intention. There is no intention. We plan to maintain all the seven suboffices in 2021/22.

And the question about other service revenue, the main concentration in 2021/22 is [to] focus on growth, e-commerce business via UPU [Universal Postal Union], MyBermudaPost.com, remittance processes for government and third parties, will be our main focus as far as revenue growth in the Post Office.

The question was asked on the rents down here on Church Street . . . sorry, not Church Street, Queen Street. The payment was \$27,000 to the Corporation of Hamilton. This year the Bermuda Post Office will not be paying, as you can see from the budget, there is zero that the Post Office will be paying the Corporation, so that most likely will fall under the Ministry of Health.

Professional Services, the question was asked on page B-48, what is included? And it is a variety of consultants for training, UPU (that is where we pay our fees as a member), systems improvement, contributions, our quality-of-service funds, and annual dues. So that is where those funds . . . so, that is page B-48, Professional Services, it was \$68,000.

Insurance coverage. I believe it was \$12,000 for 2021. This remains the same as the previous year and covers escrow accounts for maintaining software applications, vehicle fleet insurance, and it also covers repairs under Repairs and Maintenance.

Another question was asked regarding page B-49, Revenue source number 8312.06, Courier Service Fee of the \$600,000 revenue. If you will recall, I said that the \$600,000 was missing, so new revenue code accounts will be created for the MyBermudaPost.com, which is a new estimated revenue of \$600,000.

The question on our Bulk Mail revenue, consistent with declining mail volumes, traditional mail is—

**Mr. L. Craig Cannonier:** Mr. Chairman.

**The Chairman:** Mr. Cannonier?

**Ms. Lovitta F. Foggo:** What is your . . . oh, okay. Okay, Mr. Chairman.

**The Chairman:** Thank you, Lovitta.  
What is your—

**An Hon. Member:** Lovitta, your microphone is on.

**Mr. L. Craig Cannonier:** Thank you, Mr. Chairman.  
Can you hear me?

**The Chairman:** Continue.

**Mr. L. Craig Cannonier:** Yes. The question that I had for the \$600,000 was how did we come to that figure? Is it based on prior usage and whatever fee they put to it? I was trying to understand that part of it, how they got to the . . . how it is calculated.

**Hon. Wayne L. Furbert:** Oh, well, if you recall, Honourable Member, we said what the \$600,000 was. And we did a report with KPMG. And when they do a budget planning or business plans, they estimate how much activity will take place in that . . . the growth within MyBermudaPost.com.

They put a figure and they believe that this \$600,000 is reasonable and fair. So, based on work that has been done by KPMG and their estimate we will have a better idea next year once we how this year goes and grows. There is no doubt that the Post Office will do considerable work as far as marketing their new operation and we hope that individuals will sign up and bring some of their packages through the Post Office.

Does that help out?

**Mr. L. Craig Cannonier:** Thank you.

**Hon. Wayne L. Furbert:** Thanks.

So, I mentioned about how the Bulk Mail revenue is consistent with declining mail volumes. Traditional mail is declining. We all know that. However, there is growth in flyer marketing mail which is keeping the revenue stable. Flyer marketing mail, he asked a question about what that means. I would have to ask my colleague at the Post Office. Unfortunately, he is not here right now. So, flyer marketing mail, I could get some more information to the Honourable Member if need be.

Waiving the Customs clearance fee of \$5.00. As you can see, it shows a decrease of \$30,000 for waiving the fee. The Government felt that we were not going to nickel-and-dime our people, and if they fill out the form, then there is no need for that type of charge to our residents. That was the decision that we made and we stand by that. We can collect money in other ways, but there is no need to be nickel-and-diming everything we do at the Post Office.

Post Office Box [Rental Fee] is constant, why? Long-time PO Box renters . . . [although] the PO Box has seen fewer rentals each year, there are no mass closures dealing with volumes. I can speak for

myself. I have a PO Box. I do not use it that much. But it is there for convenience in case it is needed. But we do keep a Post Office Box in Hamilton Parish.

Cycles' life expectancy, the Bermuda Post Office has been maintaining the current fleet long past life expectancy, and as funding is provided we will replace cycles where necessary. I do not know what the actual life expectancy [is], but these bikes, as far as we understand it, are pretty well run down. I am sure the Post Office may be able to sell some of them, for those individuals who would like to buy them, but we felt that as our staff rides around on bikes they should be safe and secure and we want to make sure they are taken care of so we decided to put some capital in and buy some additional bikes this year.

The rental of New Venture [House] increased. As you can see, it went from \$300,000, I think to \$400,000. And as normal, those things have to do with the increase in maintenance services. A big lump sum is included for maintenance services and also utilities. So, we have budgeted for that if that takes place. Our intention is to work with the Ministry of Works & Engineering and move the location from the New Venture [House] over to the Post Office and, hopefully, that will save . . . if we move, it will save Government and the people of Bermuda somewhere between \$200,000. That is by consolidating from New Venture [House] over to the Post Office.

**Mr. L. Craig Cannonier:** Mr. Chairman.

**The Chairman:** Yes.

**Mr. L. Craig Cannonier:** Thank you.

**The Chairman:** I cannot . . . you know, your volume is very low, Mr. Cannonier, that is why I cannot hear you.

**Mr. L. Craig Cannonier:** Oh, my apologies, sorry. The microphone is right in front of me. Can you hear me?

**The Chairman:** Yes, I can hear you; but you are not coming through loud at all.

**Mr. L. Craig Cannonier:** Oh, okay.

**The Chairman:** And that big voice you have got is not normally that quiet.

**Mr. L. Craig Cannonier:** My apologies.

The question I had for the New Venture House was . . . I did not hear why it went up \$112,000 in rent.

**Hon. Wayne L. Furbert:** I said, Honourable Member, that we are responsible for some of the maintenance that takes place. So the actual rent is not just rent.

Although it is under the heading of rent it also includes maintenance services that take place in the location and also some utilities that take place, so there is some work that will be done.

But we are hoping, as I said, working with the Ministry of Works, to move from the Venture facility over to the Post Office facility. It will save overall funding for the Government and the people of Bermuda.

**Mr. L. Craig Cannonier:** My apologies, Mr. Chairman, can I proceed?

**The Chairman:** Yes, proceed.

**Mr. L. Craig Cannonier:** I am just trying [to understand], are you saying then for \$113,000, [this amount] is due to maintenance fees and cleaning?

**Hon. Wayne L. Furbert:** I am saying it has to do with maintenance services. I am not saying it will be the total amount. But maybe . . . they may have over-estimated the amount. But this was the amount that was put in the budget, and we will monitor this on a monthly basis to make sure that it is kept within the budget or lower than that. But this is the amount that was in the budget for maintenance services.

**Mr. L. Craig Cannonier:** Thank you.

**Hon. Wayne L. Furbert:** I think now we go to Head 14, Department of Statistics. There were some questions being put forward, and I am going to see if I can answer those individual questions.

The question was, What role did the Department of Statistics play in managing the COVID-19 pandemic? It did not actually play any particular role; but they did provide some statistical information to the Department of Health, particularly as based on our population. As you know we have categories between 18 and a certain age and, blah, blah, blah, and that is why we were able to see how many of our seniors are 65 and over. So, those are the types of roles that they did play, providing that type of information.

I think the question was asked about travel, what will the amount of \$8,000 be spent on? As you are aware, there are no specific travel arrangements by the department, but it was important that in case there . . . if it opens up, if something happens and they have to go to some actual courses or other things overseas, that some money be left in the budget. And \$8,000 is the amount that was given to us, and it is significantly lower than last year. Last year there was \$25,000 in the budget for travel, this last year. And now it is down to \$8,000. So, it is really a placement amount put there in case the department needs it for training and conferences, et cetera.

How has the Department of Statistics assisted other departments? The department provides consultancy services to other departments. The department

has provided the sample for the National Drug Control surveys. In addition, the department has provided [assistance and] advice to the Department of Education and the Department of Youth, Sports and Recreation on the availability and selected statistical information. As you are aware, the department provides a considerable amount of money to the Ministry . . . not money, information to the Ministry of Finance, particularly, during this time of year.

I think someone asked about Professional Services, \$54,000. The budget of \$54,000 is the money that is allocated to conduct the Labour Force Survey, which is done twice a year; and Professional Services for compensating temporary interviewers.

Who determines what new data is disseminated? The department is guided by international standards, such as, the United Nations' minimum required data statistics, national accounts. In addition, the department is guided by CARICOM Regional Statistical Work Programme, of which Bermuda is an associate member state. More of the department is guided by requests from credit agencies, and, of course, from time to time the Government may ask for information which needs more detail, and they provide the information to the Government in general.

I believe those are all the questions asked on the Department of Statistics, Head 14. And now we go to Head 43.

**Hon. E. David Burt:** Okay, Head 43 is IDT. Mr. Chairman, that falls under myself.

**The Chairman:** Continue, Honourable Premier.

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

There were a few questions on IDT. The first one was the network upgrades and how long were these network upgrades expected to take? We said they would be factored in over a number of years. And there was a question of how many years. The phone system upgrade will take three years in total. And so, you would remember, Shadow Minister, in my brief I indicated that we have to upgrade and double the bandwidth in all various departments—this is a voice over IP system.

So, you have to make sure the infrastructure is correct before you then put the phone system on top of it because if your infrastructure is not correct, upgraded, secure, and has the correct bandwidth and switches and everything else that can handle the system, then you will find yourself where you have few departments that have their own individual voice over IP systems and those . . . you know, the phones will be down. Or, when you talk you will hear kind of like how you hear on here when someone's thing goes on low bandwidth. And we do not want that for the government system, so we are going through a process where we have a three-year network upgrade schedule.

This upcoming fiscal year will be year two. This was year one, next year will be year two, the following year will be year three. By year three, we will be at the point where we are installing the unified communications systems on all the desktops—we are replacing all the hardware and going through that process.

There was a question regarding artificial intelligence, and it was mentioned when we were speaking about the priority items underneath the first issue when it came to network upgrades. Network upgrades are used for the phone system. I will discuss the phone system a little bit later when talking about it. So, the artificial intelligence and security is not tied in specifically to the network upgrades themselves. But artificial intelligence . . . they do now have artificial intelligence systems that assist in network security. These will take intelligence from not only monitoring the various things which will be happening inside the network and using what may happen in other networks where they can test and detect intrusions and they will say there was an intrusion that was detected where they first reported it and it will basically go to all the routers that have the same supplier that will say *look out for something like this, this is something that was detected as an intrusion*. So, it works kind of in that. And so, this is for the . . . the artificial intelligence we are speaking about is for network security and not necessarily related to the phone system.

There was a question, I would say, regarding IT Governance and moving off of fragmented systems. When systems expire, they may or may not be directly replaced. And that is what we are doing; we are looking at how we can put what is the functionality inside of one system, whether or not that can be done in another system. We are trying to make sure we build more common systems. So, oftentimes the systems are not being directly replaced and we are looking at how they can roll and fit into existing systems.

There was a question regarding who is on the IT Governance Committee, the IT Governance Committee composition. There is the IT Governance Steering Group, which has the PS of the Cabinet Office, the Security Manager at National Security, the Senior Analyst for Privacy, the Financial Secretary, designated Crown Counsel, and Chief Information Officer. That is the IT Governance Steering Group. But that body is scheduled to meet no less than once per quarter.

The IT Project Portfolio Management, which is the one that will actually handle procurement when we are dealing with the day-to-day matters, is chaired by the Chief Information Officer. There is a representative from the Office of Project Management and Procurement, a representative for the Ministry of Finance, an IT Governance expert and additional members as necessary or recommended by the IT Governance Steering Group as well.

There was a question from the Opposition Leader regarding implementation strategy, and there

was a question in regard to can we state the total amount of reductions or efficiencies that will come. We would not know that at this point in time. Real ultimate automation inside of government systems is at least two to three years away. It is not something that we are promising next year, and it could be very difficult for me to be ambitious and promise it in the next fiscal year as well, because there is a lot of work which we have to do.

Now we have the resources in place, you know. You have to hire the resources and make sure they work and work through this process. But the view which we take is that it is to make government more efficient. So, as there is economic growth in the country and additional demand for government services, government is more efficient, so we do not have to hire more people to service the additional demand. I think that is the direction in which I look at the situation. I do not look at it from a perspective of we are making government efficient to get rid of people. We are making government efficient because it needs to be more efficient. And if that means that we cannot replace people or do certain things by attrition, then that is fine.

But the view is not to try to reduce, the view is to say that as the government gets more efficient, then as we execute our economic growth plan, the demand to provide additional services is reduced due to the investments that were made in technology . . . sorry, the requirement for more people to provide for additional government services is reduced. And so that is the way in which we try to look at that.

Those are the questions that I have recorded for IDT. Actually, there were a few more . . . certainly a few more. There was a question about self-service, when will self-service be in place? Self-service will be in place and completed this fiscal year.

There was a question regarding the new integrated communication system and whether that is Cisco. Our plan is that we are going to be using [Cisco]. When it came through and came to Cabinet, it was recommended that we use a Cisco unified communication suite. So, that is what we are doing in regard to the new integrated communication systems.

I have already given the details on the IT Governance Committee, given the details on the Digital strategies, as well, so, I think that does cover the IDT questions for Head 43, Mr. Chairman.

And I do believe the next one is Head 51.

**Hon. Wayne L. Furbert:** Yes, there were no questions on Head 51.

**Hon. E. David Burt:** So, after Head 51 is?

**Hon. Wayne L. Furbert:** Head 61.

**Hon. E. David Burt:** Head 61 is you.

**Hon. Wayne L. Furbert:** Yes.

**Hon. E. David Burt:** Organisational & Employee Development.

**Hon. Wayne L. Furbert:** Right.

One of the questions, I believe, was the makeup of Professional Services. And we did state that in our brief. The makeup covers such [things] as the annual employee assistance programme fees, consultant fees for local and overseas facilitators, and provides services in regard to talent management and legal fees associated with work undertaken by the Public Service Commission. Again, such costs were previously funded under the Department of Human Resources.

One other question, I think, under . . . well, a few other questions under the Department of Employee & Organisational Development Performance Measures. The question was on Performance Measures, to roll out a Performance Measurement & Management System for the Government Reform Initiative. Why do we have discontinuance? You roll out a system once. However, you will continue to use the system to manage and monitor the Government Reform Initiative as well as other initiatives within the Bermuda Government. So, there is no need for that to be continued the way it did.

Corrections—

**Mr. L. Craig Cannonier:** Mr. Chairman.

**The Chairman:** Yes?

**Mr. L. Craig Cannonier:** Yes, just to clarify the question that was not answered. Under Professional Services the question I asked was . . . we see there is an allotment for \$627,000, and the Human Resource was likely to only use approximately half of that in dollar value based on their history. What was the other amount for?

**Hon. Wayne L. Furbert:** I am sorry, Member. Where are you? Tell me where you are looking.

**Mr. L. Craig Cannonier:** [Page] B-70 under Professional Services. You were talking to—

**Hon. Wayne L. Furbert:** Yes, that was \$627,000; right?

**Mr. L. Craig Cannonier:** Correct.

**Hon. Wayne L. Furbert:** I did answer that question. Maybe . . . did I misunderstand you?

**Mr. L. Craig Cannonier:** Yes. Basically, we know that there was an import of the Human Resource. But the Human Resource Department in the past has only

used approximately half of that amount. So, I am trying to understand, are you saying that the whole \$627,000 goes to Human Resource? Because, historically, they have not used anywhere close to that.

**Hon. Wayne L. Furbert:** Well, the information I have is to take care of the annual employee assistance programme fee, consultancies for local and overseas facilitators to provide services in relation to talent and legal fees associated with work undertaken by the Public Service Commission. If there is a major difference I will follow up on that question for you, Honourable Member, and get back to you.

You are asking what was the difference you felt it was last time?

**Mr. L. Craig Cannonier:** Well, if you take a look, you will see that it was . . . because we are migrating from another department, it was \$271,000 in Professional Services under Human Resource.

**Hon. Wayne L. Furbert:** I have got you. I will ask that question—

**Mr. L. Craig Cannonier:** It is a difference of \$356,000.

**Hon. Wayne L. Furbert:** I will get that [answer] . . . I promise you I will get that [answer] to you, Honourable Member.

**Mr. L. Craig Cannonier:** Thank you.  
Thank you, Mr. Chairman.

**Hon. Wayne L. Furbert:** So, I was on the Performance Measures that . . . was that clear? To roll out a performance measure and we said that you only roll out a performance measure once. So, there is no need to roll it out again this year.

The other question mentioned the paperless initiative—30 forms were digitised, what other forms are we looking at and in what other departments? We are focusing on forms in 20 high-volume public facing departments. These departments include: Registry General; Youth, Sport and Recreation; Parks; Child and Family Services; National Drug Control; Environment and Natural Resources; Land Title and Registration; Land Valuation; Planning; Social Insurance; Office of the Tax Commissioner; Judiciary; Health Insurance; Workforce Development; Customs; Financial Assistance; Immigration; Works and Engineering; Transport Control Department; and Health.

Let me see if there was another question here. Do you intend to harmonise the Performance Measures across the Public Service? I mentioned self-service will continue to drive initiatives to support a performance culture. In order to harmonise they must make the performance measures consistent. There will be ongoing initiatives to ensure that perfor-

mance metrics are developed to facilitate the achievement of outcomes that deliver public value, such as, workshops, one-on-one engagements, and the rollout of the Performance Measurement and Management System.

I believe there may be one other question. It had to do with compensation strategy, I think it was. Compensation strategy will be completed by March 31, 2021. It will be led out by the Department of Employment. Utilising a project team within the service, a pilot leadership programme deals with succession planning for permanent secretaries.

And those were all the questions I have. If I missed any, please let me know, Honourable Member.

Following that we will move on to—

**The Chairman:** Continue, Minister.

**Hon. Wayne L. Furbert:** —the next one, which is Project Management.

I think the big question that the Honourable Leader of the Opposition . . . I was talking about all those blanks on the side there. We said earlier that the Government believes in efficiencies. We laid out by introducing new initiatives under Project Management that the policy must be both robust and flexible. And by doing that, it allowed public bodies to do some of the things that were done within the department. But what the department will do from time to time is audits.

Coming from a financial background, particularly an auditor, as you know that an auditor does not audit everything, he goes in to check to see about things . . . some parts have been done. So, the Office of Project Management can go in and see whether the follow-up or the procedures that are in place were done and then report those things—errors or whatever it is—to myself, which I then report to Cabinet.

But we will address those things. Those things will be done on the side there. As a matter of fact, this is being done by training public officers in Project Management and Procurement to build capacity within that particular department. And we will have Management Consultant Services work with them to make sure that this takes place.

What role did the OPMP play during COVID-19? Well, as you know, there were some urgent things that had to take place. The Government had to make some fast decisions, and the Office of Project Management did play a role by supporting the labour of certain sections, certain requests made by departments. We did not have time to go out and do some of the necessary things that are normally done under certain purchases. When there is an emergency taking place on this Island, then we have to act quickly. But the Office of Project Management was able to reduce some of them and, hence, waived those requests.

Did the department assist with Public Works in regard to the \$13 million projects? Yes. They provided guidance and assistance with the development of the RP, pre-qualification documents, and assistance as requested by the Minister of Public Works.

I believe those were all the questions regarding OPMP, Head 80.

The next item will be Head 94, Economic Development.

**Hon. E. David Burt:** All right, thank you, Mr. Chairman.

May I proceed with the answers to Head 94?

**The Chairman:** Yes, Mr. Premier, continue.

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

There were a few questions for Head 94, which is the Economic Development department. The first question was, when speaking about test markets, what Bermuda wants to be, a test market for what? Let me give a great example. A great example is an energy regulatory sandbox, which is one of the things which we have identified as an opportunity.

In regard to the energy regulatory sandbox, that is where Bermuda can be a test bed for new types of energy . . . energy generation, whether that is wave power, tidal power, floating solar, or all the rest. And this is an example of how you can use Bermuda as a test bed. So, that is an example of the things of which we are speaking to advance regulatory matters so that Bermuda can be used as a testing place for innovation.

One of the things that I speak about is that Bermuda is very strange. I would say our strong point is regulation. That is not something that is a particular selling point in lots of places. But for heavily regulated sectors where you can be flexible, such as energy and other places, if you can be flexible here and you have the ability to do things here, then that is something that can be a draw.

And so, we know that an energy regulatory sandbox is something that has proven viable for us already. There will be more items that are beginning to release on that by the Minister of Finance next week when he presents the Economic Recovery Plan. But that is an example, Opposition Leader, about test markets and what . . . or if that was, sorry, the Shadow Minister, I cannot recall.

Regarding Concierge, I know the Shadow Minister had asked the question regarding what is the concierge doing and how does it work and whether or not there is an overlap between what the BDA is doing and what the Government is doing. No, there is not an overlap. The BDA and the Economic Development Department work together. The thing is . . . what we have to understand is that there are two different levels of the concierge. So, the challenge . . . well, not the challenge, what the BDA does is, if there is some-

body who is interested in exploring what is going to happen and take place, the concierge services that are provided by the Business Development Agency are to link them with members of the private sector—whether it be lawyers, whether it be people they are dealing with—so that they can get the information in regards to getting their opinion. And they will then also pass them to the Department of Economic Development.

So, the best way to look at it is that the BDA is the external marketing arm of the Government of Bermuda. They go out, they go to conferences, they go to things . . . they deal with the lead generation. When their leads are more qualified for other things, people who express interest, et cetera, through that process, they then pass them on the Economic Development Department for concierge. And the concierge services that the Economic Development Department provides are not external to government, they are internal to government. So, linking with, whether it is the regulatory agencies, linking with . . . if they are going to go ahead and get started up, whether it is Ministry of Finance, whether it is the Department of Immigration, et cetera. So there are two different things at the concierge level, and that is how that is done. So I hope that answers the question in regard to the difference between the two. On the matter of—

**Hon. N. H. Cole Simons:** Thank you.

**Hon. E. David Burt:** Sorry?

**Hon. N. H. Cole Simons:** I just said thank you.

**Hon. E. David Burt:** Okay.

On the matter of FinTech there was a question in regard to the employees that the new companies had or may bring. These are companies that are here, so it is not a question of the employees which they will bring, they already have employees on Island. Bermudians are working with the companies that I mentioned. I know as a former Cabinet colleague of yours, Opposition Leader, certainly.

But what should also be noted is that these companies are expanding. I know there is one FinTech company that has grown out of its office space and is continuing to grow and expand, and it is looking to get new office space and even looking at possibly purchasing a building in Hamilton. So as I say, these are things that are certainly progressing.

We do not have the exact numbers. The team who was here said they do not have the exact numbers so we will look to furnish those items to you, but the fact that is they are here already creating jobs and employment. So I think I was able to give a figure, pre pandemic, about 60 jobs, it was during the pandemic, I don't remember, but there are a significant amount of jobs in the FinTech space and that is only beginning

to grow whether it is supporting stuff and others. So I will have to get you that information, Opposition Leader, as we get it, but they are here already.

There was a final question. The final question was, What were the legislation matters that the Department of Economic Development was working on? And there are a few that I can cover. One is amendments to the Segregated Accounts Company Act. The next one is the amendments to the Incorporated Segregated Accounts Company Act. That was the IP legislation which the Minister for the Cabinet Office spoke about. That is progressing. There is another one which I mentioned in regard to working the BEDC [Bermuda Economic Development Corporation] on the development of the cooperative's legislation. I am pushing that forward. And also they have been working on the Family Office Act.

Additionally they consulted, and I do not want to read out the names of the private office, the private Bills that come through the Joint Select Committee on Private Bills, but they go to the Economic Development Department, the Legal Affairs Department when they are dealing with economic matters. So we have some of those items in front of us as well.

I think those are the answers to all of our questions, save one, on Head 9, Mr. Chairman, and it was a question asked by the Shadow Minister regarding other supporting or niche events. The Sports Tourism Team is constantly looking at new opportunities with a number of different promoters. Each opportunity is evaluated for the economic impact to the Island, which includes investment, advertising value and visitor spend. When we evaluate events, we also look for community engagement and legacy benefits. We continue to explore new events focusing on our Black travel market segment with the introduction of the Black Golf Summit in the fall of 2021.

What I will say is that I have expressed to the Bermuda Tourism Authority that in addition to the Black Golf Summit I would like to tie other items of economic value around that which are not just tourism related. But that is for another day.

**The Chairman:** Is that the end of your answers, Mr. Premier?

*[Crosstalk]*

**The Chairman:** Any other questions?

**Mr. L. Craig Cannonier:** Thank you very much, Mr. Chairman.

**The Chairman:** Yes, Honourable Member Cannonier, continue.

**Mr. L. Craig Cannonier:** No, I was just saying thank you. We are complete.

**The Chairman:** You are complete?

**Mr. L. Craig Cannonier:** Yes.

**The Chairman:** Minister, do you want to move your Heads?

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

Mr. Chairman, I move that Heads 9, 13, 14, 26, 43, 51, 61, 67, 80, and 94 [for the Cabinet Office] be approved as printed.

**The Chairman:** It has been moved that the Heads for Cabinet be approved as printed.

Are there any objections to that?  
There appear to be none.

**Mr. L. Craig Cannonier:** Mr. Chairman.

**The Chairman:** Yes, sir.

**Mr. L. Craig Cannonier:** I just want to get an update. I did mention that there were some errors . . . if they had been addressed so that is it reflected in the Budget.

**The Chairman:** Right. In the performance . . . yes. I know, about the staff numbers.

**Mr. L. Craig Cannonier:** Yes.

*[Crosstalk]*

**Mr. L. Craig Cannonier:** Page B-43.

**Hon. E. David Burt:** I am happy to speak to the matters on page B-43, Opposition [Leader]. Sorry, I know that there was something on page B-43 which you had pointed out which we had seen. Was that just with the employee's numbers or was that with something else?

**The Chairman:** No, it was the employee's number.

*[Crosstalk]*

**Hon. E. David Burt:** The employee's number, yes. The employee number, I cannot . . . that is without question an error, because what is in the revised section . . . because, of course, we are focusing on what the estimate is now and the estimate now for the Brussel's Office, as is written, is correct. Because the individual who is hired in the Brussel's Office is hired by a consultancy contract versus hiring (what is it called?). So it is correct; it is zero.

The challenge is, as you had correctly stated, the original figure should not be different from the approved budget from last year. I have the approved Book and the original figure is different from the ap-

proved, so we need to get that fixed. That should not be the case.

**Mr. L. Craig Cannonier:** Yes, that is correct.

**The Chairman:** Thank you.

Are there any objections to the Heads being approved?

There appear to be none.  
Approved.

*[Motion carried: The Cabinet Office, Heads 9, 13, 14, 26, 43, 51, 61, 67, 80, and 94 were approved and stand part of the Estimates of Revenue and Expenditure for the year 2021/22.]*

**Hon. E. David Burt:** Thank you, Mr. Chairman.

I move that the Committee rise and report progress, and ask for leave to sit again.

**The Chairman:** It has been moved that the Committee rise, report progress and ask leave to sit again.

Are there any objections to that motion?  
There appear to be no objections.

*[Motion carried: The Committee of Supply agreed to rise and report progress, and sought leave to sit again.]*

**The Chairman:** The bell will ring for the Speaker.  
Ding-doing.

*[Laughter]*

**The Chairman:** Mr. Speaker.

**The Speaker:** I am here. I appear to have a problem getting back on. Can you hear me?

**Hon. Derrick V. Burgess, Sr.:** Yes, I hear you, sir.

**The Speaker:** My system is saying that I am muted. And my camera won't come back up.

**Hon. Derrick V. Burgess, Sr.:** Well, we do hear you.

**The Speaker:** Okay.

**Hon. Derrick V. Burgess, Sr.:** And we know it is you [INAUDIBLE] camera.

**The Speaker:** I am going to mute until we get through this problem.

*[Pause]*

**House resumed at 8:07 pm**

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

## REPORT OF COMMITTEE

### ESTIMATES OF REVENUE AND EXPENDITURE FOR THE YEAR 2021/22

**The Speaker:** Members, are there any objections to the Committee rising and reporting progress and will sit again?

No objections.

We will now get into the House, which brings us to the close of the debate today on the budget.

The next item on the Order Paper is the second reading the Bermuda Health Council Amendment Act 2021 in the name of the Minister of Health.

Minister, would you like to present your item at this moment?

**Hon. Kim N. Wilson:** Thank you, Mr. Speaker.

I move that the Bill entitled the Bermuda Health Council Amendment Act 2021 be now read the second time.

**The Speaker:** Does any Member object to that?

No objections.

Continue, Minister.

## BILL

### SECOND READING

#### BERMUDA HEALTH COUNCIL AMENDMENT ACT 2021

**Hon. Kim N. Wilson:** Thank you.

Mr. Speaker and Honourable Members, I appear before you this evening to introduce the Bill entitled the Bermuda Health Council Amendment Act 2021. Hereinafter I will refer to it as “the Bill.”

Mr. Speaker, the Bermuda Health Council Act [2004] gives the Bermuda Health Council (and I will refer to them as “the Council”) authority to regulate the price at which drugs are sold to the public under section 5(h). The Act also provides for the Minister to make regulations as are necessary for carrying out or giving effect to the Act as pursuant to section 15(1)(h).

Mr. Speaker, the Bermuda Health Council Amendment Act 2021 will give effect to the Council’s authority to regulate drug prices by providing for the Bermuda Health Council (Drug Formulary) Regulations 2021 under which the Bermuda Drug Formulary (or the drug formulary), will be established. Mr. Speaker, the drug formulary will provide for the list of drugs to be sold at a regulated price to the public.

As previously stated in this House, Bermuda’s high cost of health care and ageing population and an increasing instance of chronic diseases such as diabetes all contribute to the burden felt by many in the community. The cost of medications is a distinct chal-

lenge being the largest out of pocket health expenditure for most people.

Mr. Speaker, while insurance covers 80 per cent of the cost of the majority of the medications we use, some medications costs tens of thousands of dollars. And for those with chronic conditions, having to pay 20 per cent of every single medication that they need quickly becomes very expensive. For seniors on FutureCare, the coverage for medication comes with a cap of \$2,000 per year. Financial Assistance pays for its clients to receive prescription medications; however, those not on Financial Assistance but with the Health Insurance Plan (HIP) must pay for all medications out of pocket. This has been underscored during the current Coronavirus pandemic as more companies [INAUDIBLE] to HIP, leaving them without equitable access to medications.

Mr. Speaker, cost controls, price setting, cost regulation, cross limits, and the additional fees for medications are privately set by private companies without government control or intervention. While all pharmaceuticals must be purchased abroad and are imported free of duty, there is a lack of clarity around the pricing structure of drugs at the final point of sale to the public.

Mr. Speaker, the Bermuda Health Council (Drug Formulary) Regulations 2021, the Bermuda Drug Formulary will comprise the list of medications and other products used in medical treatments to be sold at a regulated price to the public. The purpose is not to control the price of every medication sold in Bermuda, but to focus on the list of common essential medications such as Prednisone, which is used for the treatment of arthritis, blood disorders, cancer and eye problems, along with associated products and devices used in medical treatments.

Mr. Speaker, in the Progressive Labour Party’s 2020 platform entitled, *Rebuilding Bermuda with Bermudians at Heart*, we indicated that we would (and I quote) “Mandate pharmacies to provide pricing information on the most commonly prescribed medications so that the Government can establish a national drug formulary that will set maximum pricing for these medications, which will reduce costs to consumers.” Mr. Speaker, that platform promise is what this Bill will seek to do this evening.

In addition, Mr. Speaker, in the same platform we indicated that we would take steps as a Government to introduce the Bermuda Health Plan designed to provide access to affordable universal health care. And, Mr. Speaker, as Members will be aware, affordable universal health care for all is a priority of this Government. It is a multi-year phased project, but immediate steps can be taken now to reduce costs for residents. Implementation of a national drug formulary is a step we can take now to reduce the costs to patients and provide relief to those on fixed incomes.

Mr. Speaker, the regulations provide for the Health Council to be advised on the drug formulary by

a pharmacy and therapeutics committee as appointed by the Minister in consultation with the Council. The pharmacy and therapeutics committee (or I will call it "the committee") will have a key role, Mr. Speaker, in, among other things, evaluating drug utilisation in Bermuda and assessing new drug classes and clinical indicators.

The committee will also determine how medical products will be added to or deleted from the drug formulary. The committee will develop its recommendations on the drug formularies list of medications for final approval by the Bermuda Health Council. In doing so, the committee will make decisions which are supported by scientific evidence and appropriate standards of practice.

The committee will comprise a member of the board of directors of the Council who shall be the chairperson of the committee, a member of the secretariat of the Council, a representative of the pharmaceutical market in Bermuda, a representative of the health services market in Bermuda, and one international member representing the pharmaceutical market in the region. The legislation also calls for the appointment of up to four additional members such as importers, pharmacy owners or experts in the health field of high pharmaceutical demand. Subcommittees can also be formed with ad hoc members based on the critical topic of interest.

Mr. Speaker, the Government is aware that Jamaica and islands of the eastern Caribbean have well-established drug formularies and procurement mechanisms in place and we will look to engage a committee member from a sister island. The reason for including international representation on the committee is to gain better insight into the markets and trends in similar jurisdictions. It is notable that Bermuda pays much more for the same drugs than these counterpart countries. So we will seek common ground to achieve savings.

Mr. Speaker, under the regulations, to support understanding of the local use of medications and the conditions that they can treat, the Council will have authority to require the submissions of select data from insurers, pharmacies, medical practices, hospital and/or importers in respect of medical products. The purpose is to assist in the proper maintenance of the drug formulary and fair setting of drug prices. Price setting must be based on the actual data available so that prices are not set lower than the cost at which a drug can be bought from the international markets.

Mr. Speaker, it is important to point out that the basis of a drug formulary is partially already in place. In February 2018 the Health Council consulted the physician community to create a list of medications that are critical for our common chronic conditions. The Council published this list as a consumer pricing guide for prescription drugs. The regulations provide for this list to be used on the initial drug formulary.

Mr. Speaker, for the purpose of monitoring compliance with and the safety of the drug formulary, national drug codes will be established by the Council. The drug codes will be unique 10-digit reference numbers associated with all the medical products making up the Bermuda drug formulary. The regulations will require these codes to be stated on transaction documents. These invoices, or receipt documents, show what is being procured, imported, purchased at the pharmacy, and being reimbursed by insurers. In addition, the reference number will be listed on the label of the drug that is dispensed to the consumer.

Mr. Speaker, at present, it is not possible to accurately ascertain what drugs are imported, in what quantities, and at what cost. The implementation of a national drug code will enable improved tracking and reconciliation of this data. Most immediately the Council will work with dispensing pharmacies to implement the code on drug labels as would be required for insurance claims, in any case, recognising many systems in Bermuda are paper based and full implementation will rely on actions by international vendors and others.

The implementation of a standard reference number will be very important for optimising inventory management of prescription drugs on Island which will reduce the amount of unnecessary waste of these products. The Health Council anticipates that the rollout of the drug formulary will take place in phases, and in this regard, will develop a roadmap for implementation which will be shared and discussed with stakeholders.

Mr. Speaker, to achieve cost-effectiveness, best price medical products, the regulations also provide for the Council to participate as a negotiator on behalf of Bermuda in the procurement of those products from international and local vendors. In so doing the Council may cooperate with the Government, any pharmacy, or other supplier. The Council anticipates efficiencies in procurement through better bidding purposes, a significant goal of this part of the legislation is to achieve optimum volume discounts so that those savings can be passed on to members of our community.

And finally, Mr. Speaker, the regulations make it an offence to fail to comply with (a) requirements to appropriately dispense medications for treatment in accordance with the Bermuda Drug Formulary; (b) sale prices stipulated in the drug formulary; (c) requirements to submit information and data to the Council; and (d) requirements to use the national drug code. And a person is liable on summary conviction to a fine of up to \$50,000.

Mr. Speaker, this represents the full amendments and regulations proposed by this Bill and with those remarks I am pleased to introduce this Bill for Members of the House of Assembly.

Thank you, Mr. Speaker.

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

Does any other Member wish to make a contribution at this time?

[Feedback]

**Mr. Scott Pearman:** Mr. Speaker, can you turn off . . . yes.

**The Speaker:** Honourable Member Pearman, you have the floor.

**Mr. Scott Pearman:** Thank you, Mr. Speaker. We are just getting rid of some feedback there. Can you hear me clearly?

**The Speaker:** Yes, we hear you nice and clear.

**Mr. Scott Pearman:** Excellent.

Mr. Speaker, as this Bill touches . . . well, sort of very peripherally, on health insurance and health care insurance, I refer the House to my existing declared interest in Bermudian insurance companies.

The definition of a formulary, because it is quite a weird term, is, *An official list giving details of medicines that may be prescribed*. And that is what this Bill is seeking to do. It is creating a list of medicines in Bermuda. It is also creating a committee to supervise the maintenance, updating and regulation of that list. And that is what this Bill in part is seeking to do.

The Opposition supports anything that will lower the cost of health insurance and health care in Bermuda, provided it doesn't diminish the quality of care. And no doubt that goal is also shared by those across the aisle. Health care is a huge issue for us. We have an ageing population, as we all know. We have a high level of diabetes in Bermuda. And those are the double-barrels that we are facing as we move our way forward into the future of health care in Bermuda.

The main criticism that we (the Opposition) have heard about this Bill . . . the Bill at Schedule 1, [paragraph] 2, refers to "stakeholders." And it sets out a number of stakeholders that the Bill considers are important people in regard to this formulary. It lists health providers, health care professionals, pharmacy owners, management insurers, and other persons as the Council may in writing determine. Having talked to a number of those stakeholders, there does seem to be a concern that there has been a lack of sufficient consultation with those stakeholders. So I think that would be the one word of caution that we sound is that a lot of people do not feel that they have had this discussed with them in any meaningful way.

Why is it important? Why does having a list of medicines in a formulary . . . why is that relevant? How does that touch on people's lives? It does so in a number of respects. But, really, there is a big variance

between pills which are branded pills, and pills which are generic pills. And there is a variance not just in price, but also a variance in success rates. And there have been some recent scientific studies, I believe in Harvard Medical Journal, where they compared hospital attendance rates by those on branded medication versus generic medication, and the generic medication users were attending more frequently. This is a test in Canada.

But the point here is that these are medicines that are very important to Bermudians. There are a number of Bermudians who are on medication, at many different ages. And as I said, we have an ageing population and one with a high prevalence of diabetes. The concern about controlling, having a committee . . . a pill panel, to control medication, is that while the idea may work well in large populations, it may not work as well in a small jurisdiction such as ours. And the question that we would pose is, What are the unintended consequences of this move?

We all know our health care system, no matter how good it may arguably be, it is too expensive. And we all know that we need to get health care costs down. It is the Opposition's view that overutilisation is the number-one contributor to those health costs and that would be the target that the Opposition would choose to aim at, and did aim at when it was previously the Government.

I think it is important to recognise also what this Bill tonight does not do. It does not mean that drugs will be covered by the Standard Health Benefit [SHB]. It does not do that. This is about list making and creating a layer of bureaucracy to decide what is on and what is off the list. And when we get to Committee we will look at the section that identifies how that list will come into being. But I will leave that for Committee.

The goal here, and hopefully it is a goal shared by both sides of the aisle, is access, of course, to universal health care, so that everyone can get the care needed at the lowest price possible without diminishing the quality of care. Broadly speaking, it is argued, and this is from soundings taken in the industry, that Bermuda already gets the best pricing for our pills and it is difficult to see whether or not this formulary, this new list system, and the creation of the layer of bureaucracy will in fact lower prices. And so we will have to wait and see. But at the moment, it does seem to be an extra layer of bureaucracy below the Council (the Council already exists). We are now going to have a pill panel. And what we very much hope it does not do is ultimately mean less choice of medication by those who needs pills to treat their ailments and to have a better quality of life.

And so with that brief comment, I think there are others from my side who will be speaking to this, but those are my comments on the Bill.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, MP Pearman.

Does any other Member wish to make a contribution at this time?

There are none.

Minister, would you like—

**An Hon. Member:** Mr. Speaker—

*[Crosstalk]*

**Hon. E. David Burt:** I think one of my other Members is speaking.

**The Speaker:** Which other Member? Would you please identify yourself?

Any other Member?

**Mr. L. Craig Cannonier:** Okay, Mr. Speaker, it seems like they are not going to go, so I will go.

**The Speaker:** Okay, MP Cannonier, you have the floor.

**Mr. L. Craig Cannonier:** Yes, thank you very much. It is much appreciated.

For something as significant as being able to reduce the pricing on prescription medications, I would have thought that a formulary being put into place to assist with better pricing for our health care costs, quite frankly, I would have thought that we would have had a much more substantive brief from the Honourable Minister, on the way forward.

One of the things that stood out to me of concern, in listening to the brief that she gave, was when she mentioned the lack of clarity on the current pricing by pharmacies and that there was a lack of clarity, I would assume on the Government's part. I think that says volumes in and of itself. I certainly know, and declare my interest as having been a general manager of one of the major pharmacies in Bermuda, and in addition to that my wife being a pharmacist, consultation and the opportunity to speak to members within the field have always been available and willing to address some of the concerns.

What I believe the consensus here, quite frankly, is that we all want to control pricing. It is in the interest of Bermuda. It is in the interest of every individual in Bermuda who has to be on a particular drug or prescription that we find a way of better pricing. And I believe that this Bill is attempting to do just that.

The question then is . . . it is fine to put stuff on paper and to lay it out, but the practical aspect of it then becomes problematic if we have not done enough homework. And I was hoping that if the Honourable Minister, as she mentioned sister countries down in the Caribbean who are using a formulary and they are getting medications, prescriptions, at better pricing, that she would have used some examples in her brief of some of those pricings that are varied be-

tween what they are getting down in the islands and exactly what it is that we are getting.

Again, it goes back to being able provide valuable information. As legislators it would be better for us to do another month of homework to ensure that we have as much information as possible when we put down legislation. We cannot be putting legislation in place and then saying that we are going to work on it as we go along. Now, many of the jurisdictions that are using a formulary have much larger populations than we do. So I am concerned that, again, as the Minister said, there is a lack of clarity on the current pricing.

I was majorly involved back in the day with pharmacies and the pricing and attempting to provide as much and better pricing as possible. My colleague who just spoke before me mentioned that this is not necessarily going to reduce your health premium. And I understand when the Minister says "out of pocket" that has to be spent is one of the concerns, and she is right in saying that. There are some particular drugs that are extremely expensive. And she mentioned some of these higher cost prescriptions and drugs. These in many cases are the exception as opposed to the rule. And I think we can find a way around that as we start looking at, and doing some more homework, on these exceptions to ensure that people are not having to put out such large amounts for these particularly unique and more expensive types of drugs.

One of the solutions that she also mentioned was about seniors and the cap of \$2,000 for prescriptions. And I was glad that she brought that up because I have mentioned it before and I believe that in the past and having looked at some of these limits of \$2,000, I know that there are many seniors who do not use their full allotment and it would be good if we could take that total amount that is allocated. It has already been put aside that each senior would have this \$2,000 on FutureCare, and the likes, that we would be able to rollover somehow and find a way of including what is not used into the allotment for those who need more than \$2,000.

With a small population like ours, and with enough information available to us that we can get from the pharmacies, that we can get from the insurance companies, I believe that it is a doable formulary in being able to figure out how to just do that.

And so this practical application of a formulary, I do not believe it is going to happen any time soon. As you go through the Bill, you do not see anywhere where the . . . you have got the board that she is putting together, but who . . . right now are they looking at as far as having the infrastructure to be able to handle something like that in its entirety? I know that for many of the pharmacies in being able to keep up with this, they are going to have to put aside time which invariably means costs, to ensure that their systems are up to date and that this information is being migrated over on a daily basis because within in the

health field the pharmaceutical drugs are changing all the time.

One of the other challenges that we do have is when a particular item runs out of stock. And if one particular pharmacy has it in stock but another pharmacy does not have it in stock, and they find out that the supplier does not have any at all, we are driving business to one particular area as opposed to another. I do not know if they have built in there that they will have a certain amount in stock. We have not heard these kinds of things of how that is going to work to manage it. And that is why I say the Minister has to provide more information of the practicalities of how this works.

We have got enough information out there from other jurisdictions that are doing it, but there are so many unanswered questions. I believe that we should be hearing more about this other than just saying, *Oh, well, we are going to provide better pricing for prescriptions*. Which we all agree with that! But there is an application to that. And so we can defeat the whole purpose of providing something at a cost-worthy price by creating more costs on the other end. And what I mean by that is that if, in fact, we do have challenges, and we find ways of reducing the costs but it is expensive to maintain, based on the stakeholders, then that pricing is going to be put on other items. Invariably, the person who comes into the pharmacy is going to wind up having to pay more for other types of items that are over the counter-type of medications, something you can buy, like Tylenol, off of the shelf, as opposed to having to have a prescription for it. So all of these unanswered questions really need to be addressed. (Let me just look over my notes here.)

As I go over this here, the Minister has not even identified exactly who she consulted with locally and what that consultation was like. And what was the feedback that was coming back from the pharmacies, coming back the insurance companies. As I said, I will declare my interest. I was general manager for People's Pharmacy. I am curious as to whether or not some of these guys were consulted and how in-depth because I know that they would be very helpful in being able to provide some answers to this, because at the end of the day the oath of a pharmacist is to provide prescription drugs, and at times, many times, the pharmacies provided [them] free of charge because if someone is in trouble, they need to help. And they have taken that oath to ensure that people get medication. And some of these things are unsaid.

I do not know, this Bill does not speak to whether or not this is going to address even the fee that is put on prescription drugs because I know that the Minister has mentioned this in the past and I have warned about that, understanding that health care costs are through the roof, like the United States. But if I were to compare the average pharmacist, and anyone can go on [www.salary.com](http://www.salary.com) and take a look at

this here, the average pharmacist in the United States is making an average of \$140,000-plus. That is not the case in Bermuda. And the standard of living is so much higher in Bermuda, we need to be aware of the unintended consequences when we go down this road.

There are many stakeholders involved here, so it would be important to hear from the Minister about some of the consultation that has taken place so that we can all be more comfortable. We are comfortable with finding a way with better pricing, but that still has to be established by this Minister. She is saying that we can get drugs from the . . . sorry, the Honourable Minister, saying that we can get pharmaceutical drugs at a better price, but that still has not been shown, or proven to be the fact. Prescription drugs can be a very unique thing, and that is why I say, a doctor may want to prescribe one blood pressure pill preferred over another, which may not be on the list because of the individual's unique needs. So there we go in defeating the whole purpose of what it is that we are attempting to do.

I am hoping that we get more answers from the Honourable Minister as we move forward with this. But in its practicality I do not see a formulary happening any time soon primarily because of the lack of consultation. She may find that in clarity when speaking to folks, many of these things are already where they need to be. I mean, when was the last time that we updated the pharmaceutical drug list? That has been a few years now and if we cannot even keep up with the updating of a list, how are we going to keep up with this? And that in and of itself is going to create more costs.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to make a contribution at this time?

**Hon. Tinee Furbert:** Mr. Speaker.

**The Speaker:** Yes. I believe . . . is that Minister Furbert?

**Hon. Tinee Furbert:** Minister Furbert, yes.

**The Speaker:** Minister Furbert, you have the floor.

**Hon. Tinee Furbert:** Just trying to get my camera on, sorry.

**The Speaker:** No problem. Okay, we see you now. Go ahead.

**Hon. Tinee Furbert:** Good evening, Mr. Speaker.

I would like to just share my support for this Bill, Mr. Speaker. This Bill has been something that has been in the works for a very long time. The aim of

this Bill is to reduce prescription costs for persons in our community.

I just want to ask, Have you ever been to the pharmacy to hear the cost of a prescription, because you do not have insurance or you are uninsured, and you get there and you hear the price and you know that you cannot afford it because the price is so high. Mr. Speaker, I also want you to think, Have you ever been to the pharmacy when you go to the front desk to pay for your prescription and the pharmacist tells you that you cannot get your prescription because your employer has not paid your insurance bill and so you do not have access to prescriptions because if they have not paid your insurance bill, you are just cut off right there.

Mr. Speaker, there are even people who are on HIP who have no access to prescription medications. And what we do know is that compliance for taking medication is based on someone wanting to be motivated to get better, but also affordability. And compliance and taking a prescribed medication also is used for someone's health to be maintained or to get better. So we have to look at situations. There are many people out there, which we know there are many people out there, Mr. Speaker, who are under-insured or not insured at all. Entrepreneurs who cannot afford insurance and people who get stressed from work who can only afford HIP insurance, they do not have access to medications. They do not have access to prescriptions. And so, Mr. Speaker, that is what this Bill is about. It is about creating access and it is also about creating affordability.

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker.

**The Speaker:** Yes, point of order.

**POINT OF ORDER**  
*[Misleading]*

**Mr. L. Craig Cannonier:** Yes, unfortunately the Honourable Member is misleading the House and Bermuda. This Bill is not about making it accessible. This Bill is solely about creating a better pricing mechanism. It is not about accessibility to prescription drugs.

**The Speaker:** Thank you.

**Hon. Tinee Furbert:** Mr. Speaker, I would hope that if someone can afford something, that it would be more accessible.

Mr. Speaker, I just want to speak to other sort of programmes that are—

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker.

**The Speaker:** Point of order.

**POINT OF ORDER**

*[Misleading]*

**Mr. L. Craig Cannonier:** Unfortunately, the Honourable Member is misleading the House. I have declared my interest and I can tell you for a fact that there are folks who cannot afford prescription drugs, in many cases the pharmacist's do allow people to walk away with that prescription drug.

**Hon. Tinee Furbert:** Mr. Speaker, that is wonderful! But for those pharmacists that do not, again, this Bill is about creating access to those people who cannot afford—

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker.

**Hon. Tinee Furbert:** —a prescription.

**Mr. L. Craig Cannonier:** The Honourable Member—

**The Speaker:** We will take your point of order.

**POINT OF ORDER**

*[Misleading]*

**Mr. L. Craig Cannonier:** —is misleading the House. I also mentioned when I spoke that all pharmacies fall under an oath to provide these medications, and all the pharmacies will provide these medications, even if you are short. If you . . . you just need another two pills, they will allow you. All the pharmacies fall under the oath of providing that.

**Hon. Tinee Furbert:** Again, Mr. Speaker, that is wonderful.

What this Bill is doing, Mr. Speaker, is providing an [INAUDIBLE] affordability for our people. There are many people out there, Mr. Speaker, who would just not go to the pharmacy because they do not know what their options are in regard to the price of a medication. Therefore, we do not have compliance with medications and then we see further deterioration of someone's health because just right away, without seeking the information, and they do not have access to the information in regard to pricing, they will just not go to get the medication that is required for the improvement of their health.

Mr. Speaker, I would just like to take the opportunity to speak about other sorts of programmes that I am not sure are offered in Bermuda. I have not seen it. But there are programmes off Island where you can actually go online and look at a price comparison across different pharmacies to see what the actual price is of a particular prescription before you actually go and purchase it. I believe in Bermuda you have to call around to each and every pharmacy to find out what the price of the particular item is. And I have to say, because I started to track, Mr. Speaker,

every prescription that I would get to see if there was a high variance amongst prescriptions. And I have to say that they do stay within a certain price variance. But if there is an opportunity, and I do not know but we will see, if there is an opportunity for us to be able to get the price down even more for those drugs that are more commonly used, then I think it is an excellent idea, Mr. Speaker. We have a high [percentage of] chronically-ill population in Bermuda. We talked about diabetes. We talked about hypertension. And our people need access to affordable prescriptions and affordable drugs.

Mr. Speaker, I spoke to prescription discounts. We will see in other jurisdictions where they have prescription discounts. I do not really see that too much unless it may be an over-the-counter drug. And the other area which creates access is generic drugs, because you know with some insurance companies if you were insured and you get a generic drug then you do not have to pay anything at all for your co-pay. And the option of having a generic drug as well also makes it more affordable than a brand drug. So we are also very thankful for that option.

But I just want to share a story with you, Mr. Speaker, before I close. I was out canvassing, you know, in my constituency. And I came across a constituent. And he said, *Come on, Ms. Furbert, come on, so I can talk to you.*

And he said, *You know what, Ms. Furbert, it is just so expensive in Bermuda. The cost of living is very high. And he said, I have to get my medications. He said, You know how I got my medications, Ms. Furbert?*

I said, *No, how are you getting your medications?*

He said, *I'm getting them in Canada. I get my medications in Canada and I have them shipped to Bermuda.*

So you are not going to tell me, Mr. Speaker, that there is no way that we can get some of our medications cheaper, and so I am confident in this drug formulary. Our people are saying, our seniors are saying that their medications, once they run out of that benefit for HIP . . . there are many, I mean, people are going to Age Concern trying to get additional assistance to be able to get them back [INAUDIBLE]. If we can get their medications down within a certain level of affordability, I would say that we have done a good job.

So I am looking forward to that. I am looking forward to the work of this committee, this pill committee, that some people are calling it, I am looking forward to it if it means that it will create options, affordability, and will lower the cost for the people in Bermuda.

Thank you, Mr. Speaker.

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

Does any other Member wish to make a contribution at this time?

No other Member?

**Ms. Susan E. Jackson:** Mr. Speaker. Mr. Speaker, I would just like to say a few words.

**The Speaker:** MP Jackson, you have the floor.

**Ms. Susan E. Jackson:** Thank you.

So I just want to backtrack a little so that I understand. One, if there are only 65,000 of us on the Island, and my knowledge is that the more (in this case medicine) . . . the more medicine you buy, the more people there are to buy the medicine, then that brings the price down. Yes, there may be one or two medications in Bermuda that apply to certain diseases that are prevalent in Bermuda, but there are also a number of medications out there that are only available or are only needed for a few cases. And I am thinking about the different cancers.

So, Bermuda does have a prevalence of cancer here. But they are all very different and they all require different medications. There are a few people here, lots of buckets of people who need different medications. And I do not see how this list of essential medications—or not essential medications—is going to affect the price for so many people who are actually purchasing very expensive medications but they are medications for a very small number of people who are here on the Island.

So it just right now feels like it might misguide people into thinking that the price of their medication is going to change when in fact the only way we are really going to be able to drive down prices for those medications is that a larger number of people on the Island require . . . and even when I say a large number of people on the Island require, Bermuda's population is so small that this large number of people is still very tiny in comparison to other countries that have similar formularies but they are buying for millions and we may be buying for hundreds. So that will be interesting to see how the Health Council will be able to negotiate price differences based on so few people who are buying medications. And I say "so few" because our population is so small.

Now, Mr. Speaker, on the other side of it, I am thinking about those who are in insurance plans. I am thinking about HIP and FutureCare, in particular. So I believe it was back in like 2009 or so that HIP decided that they were not going to cover any medications. And there are so many people on HIP that would not . . . well, who wants to pay these large prices for medications? But financially they are challenged enough that the prices of medication is super steep for them. So I am curious why Government wouldn't maybe consider adding prescriptions back to the HIP insurance programme, especially if Government is so confident, or the Health Council will be so confident that

they can drive the price of prescriptions down. So if they drive the prices of prescriptions down, and they add a bit of coverage in HIP as well, then we would really start to see a relief for those who are on HIP and having to buy medications.

The other is FutureCare. So the Minister had mentioned that FutureCare covers prescriptions up to \$2,000. It is my understanding that the \$2,000 cap has been there for a number of years. And yet, the price of the monthly premium for FutureCare has continued to climb. So, again, I would ask the Government if they would consider raising the ceiling of the prescription drugs on FutureCare from the \$2,000 and raise that up to be more aligned with the increase monthly premium that FutureCare clients are paying every month. And I want to say, you know, from beginning to end, it sort of started around the \$200 a month and you would get \$2,000 worth of prescription drugs a year. That sounds fair enough. Now, FutureCare is up near \$500 a month and you are still only getting the \$2,000 coverage.

So, again, based on a lower price for certain prescription drugs and an increase in coverage for HIP and FutureCare clients would definitely sound like a win, Mr. Speaker. And I am hoping that this suggestion [is one] that the Government would consider. And with that, I will take my seat (as they say).

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to make a contribution?

**Mr. Vance Campbell:** Mr. Speaker.

**The Speaker:** Yes.

**Mr. Vance Campbell:** MP Campbell.

**The Speaker:** MP Campbell, you have the floor.

**Mr. Vance Campbell:** Mr. Speaker, what this Bill does not propose to do is to reduce the cost of health premiums. That was a point raised by one of the Opposition speakers. But yet they were quick to point-of-order one of our Members because they felt they were speaking on something that this Bill did not propose to do.

When you listen to the Opposition it appears week in week out every time that we appear in this Chamber, Mr. Speaker, the common theme that I [hear] from the Opposition is *If we cannot get it perfect, then we will do nothing*. So in this context they are prepared to let people struggle to be able to purchase their own medication because they do not know if it will succeed. They do not know if we can bring down the price, as this Bill proposes to do, they do not know if this Bill is perfect. They would prefer people continue to struggle—

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker. Point of order.

**The Speaker:** Point of order.

### POINT OF ORDER

[Misleading]

**Mr. L. Craig Cannonier:** Unfortunately, the Honourable Member is misleading the House. It is totally out of line. We agree that pricing should come down. To scrutinise the Bill to ensure that it is as effective as possible is what legislative work is about. He is misleading the House and the people of Bermuda to believe that we are opposing just to oppose, and it is out of line.

**The Speaker:** Thank you.

Member, be mindful of those comments. Continue on.

**Mr. Vance Campbell:** Thank you, Mr. Speaker.

None of this . . . this Bill does not propose to reduce health care premiums. Yes, the overall goal of this body is to reduce the cost of health care in Bermuda. But this particular Bill does not address premiums. What it does address, Mr. Speaker, is an attempt to put in place measures which will assist in bringing down the cost of the most commonly used drugs in Bermuda—the most commonly used drugs in Bermuda.

There are provisions in the Bill to add drugs, or to take drugs off that list, off that formulary list as is seen fit. There are provisions in there to adjust the price according to changes in the price of the drugs as landed in Bermuda. If we look at what this Bill is looking to do, it is looking to create efficiencies in procurement which will be the major factor in lowering prices. It is looking to assist and bring efficiencies to inventory management so that, one, we are not overstocking and having to throw out drugs. It is my understanding that right now, Mr. Speaker, pharmacies are throwing away in excess of a million dollars' worth of drugs on an annual basis. This Bill will assist in efficiency through standardisation.

Mr. Speaker, the standardisation is the process of implementing and developing goals and minimum standards. It is also about setting expectations at a certain level. The goal of standardisation is to enforce a level of consistency and uniformity. In using purchasing leverage, standardisation can assist in bringing down the cost.

Mr. Speaker, prior to the increase in acceptance of generic drugs, prescription medication accounted for approximately 8 per cent to 9 per cent of overall health care costs in Bermuda. With the gaining acceptance of generic products, this has dropped to about 5 per cent of overall health care costs in Bermuda. When you look at the statistics when it

comes to generic . . . and some people prefer brand names versus generic, that may never change.

But in Bermuda only 56 per cent of drugs dispensed are generic, and that is versus 89 per cent in the United States. And on average the retail price of generic products, generic drugs, they are 75 per cent lower than the retail price of its brand-name equivalent.

And the very nature of the generic market is that it is one where you have a multi-competitor environment. You do not have a large entity controlling multiple drugs through patents, et cetera, and there are more competitors in the generic market and you would imagine that the price would go down, and we have seen that here in Bermuda. Since 2008 generic drug prices have declined by more than 60 per cent, and during that same time the cost of brand names has continued to increase.

In the construction industry, Mr. Speaker, you build a house by laying one block at a time. And that is what we are doing here. We are laying one block in the building of a health care system with the goal that, overall, that health care system will be cheaper and available to everyone.

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker.

**The Speaker:** Point of order.

#### POINT OF ORDER

*[Misleading]*

**Mr. L. Craig Cannonier:** I take note what the Honourable Member is saying, but his analogy is misleading. You lay one block at a time; but you lay it based on a *complete plan* in place. So, I do not get the analogy. It's misleading.

**The Speaker:** We hear your point.

Member, if you could just provide a little clarity for that particular Member.

**Mr. Vance Campbell:** Mr. Speaker, perhaps the Honourable Member is only listening to those things he wants to hear. The overall plan—and I stated that earlier—the overall plan—

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker. Point of order, Mr. Speaker.

**The Speaker:** Point of order.

#### POINT OF ORDER

*[Misleading]*

**Mr. L. Craig Cannonier:** The Honourable Member now is maligning my intent. I said in my statement that we agree that we all want lower pricing.

**Mr. Vance Campbell:** Thank you.

**The Speaker:** Member, just be mindful of the point of order, and just provide the clarity for the Member to follow what you were saying.

**Mr. Vance Campbell:** Thank you, Mr. Speaker.

Mr. Speaker, I said the overall goal . . . or perhaps I should have said “plan.” The overall plan is to reduce the cost of health care in Bermuda. That is the overall plan. One block in that plan is to reduce the cost of the most expensive . . . the most commonly used prescribed drugs in Bermuda.

I said that, Mr. Speaker, so, I do not know why it was not understood. But I will repeat it again. The overall plan is to reduce the cost of health care in Bermuda. The laying of one block in my analogy is this Bill to reduce the cost of the most commonly used drugs in Bermuda.

So, again, Mr. Speaker, that is what this Bill is attempting to do. It is said that it is not perfect. Maybe it is not perfect; but there are provisions within the Bill to accommodate changes in price. There are provisions in the Bill to get the necessary expertise to advise the Bermuda Health Council in this whole process. There are provisions in the Bill to provide the expertise that will cover the distribution, or get us the knowledge of the distribution, or provide that knowledge for our region.

We need to do something about the cost of health care in Bermuda. This party, as has been said in the past, will not wait for perfect and let it get in the way of good. And with that, Mr. Speaker, I will finish.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Honourable Member. Does any other Honourable Member wish to add a contribution at this time?

Any other member?

**Mr. Jarion Richardson:** Mr. Speaker, MP Richardson.

**The Speaker:** MP Richardson, you have the floor.

**Mr. Jarion Richardson:** Thank you, Mr. Speaker, and I would like to speak to some of the points my colleagues have made.

**The Speaker:** Just be mindful that although we hear you, we do not see you yet.

**Mr. Jarion Richardson:** Okay.

**The Speaker:** Thank you.

**Mr. Jarion Richardson:** Thank you, Mr. Speaker.

As far as this legislation is concerned, there is no one in this Honourable House who wants to main-

tain the cost of health care. What we are interested in, though, is avoiding unintended consequences. Although the previous speaker had made the point that [what] Opposition [seeks] at this point amounts to, I believe it was that we seek perfection and anything less than perfection is, in fact, objectionable. I think the point I would certainly add to the argument is that we want to be careful about the unintended consequences.

Insofar as the consultation process is concerned, Mr. Speaker, I would be interested to hear the endorsement of the Bermuda Medical Council and the Bermuda Medical Doctors Association, as they have obviously the familiarity and expertise, their membership operating in this space.

Further to that point, Mr. Speaker, I understand the point of standardising in uniformity and using purchasing leverage to reduce cost. With that being said, however, health care is a very complex topic and is not undertaken without actuarial expertise. In that regard, as we move forward in reducing our health care costs, we do have to be mindful that there is an entire mathematical study committed to us understanding how health care works. And in this one block using the previous analogy of the wider plan, it would be advisable that this Honourable House consider the actuarial reporting, because the Honourable Member Susan Jackson raised the point of how population factoring works in the purchasing power or purchasing leverage.

And so, in the absence of that information, Mr. Speaker, I do think this Honourable House is not fully appraised as it relates to the viability or success of this program, and in making sure that we avoid the unintended consequences.

With that being said, Mr. Speaker, it is admirable that we move in the direction of lowering health care costs, and the Opposition certainly is of the opinion that this is the way we need to go, but what we want to do is make sure that we have a fulsome set of information other than the assurances of one or two well-placed persons within the health insurance or health industry.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to make a contribution at this time?

**Hon. E. David Burt:** Mr. Speaker.

**The Speaker:** Yes.

**Hon. E. David Burt:** Mr. Speaker, I am happy to make a contribution if I can.

**The Speaker:** Mr. Premier. I did not catch your voice. Premier, you have the floor.

**Hon. E. David Burt:** No problem, Mr. Speaker. I promise you that I will not be long.

**The Speaker:** Thank you.

**Hon. E. David Burt:** What we have found ourselves hearing from the other side is what they oppose, but *never* what they support. And they sit here and they say that our job is to scrutinise, but they make no recommendations, no suggestions for improvement, and all the rest. So, they are pretending to be constructive when they are really trying to be obstructive for the purpose of political gain, Mr. Speaker. And it is shameful.

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker.

**Mr. Jarion Richardson:** Point of order, Mr. Speaker.

**The Speaker:** Will take your point of order.

#### POINT OF ORDER

**Mr. L. Craig Cannonier:** If the Honourable Member was listening, I made recommendations as to ways that we can help.

**The Speaker:** Thank you for that clarification.

**Mr. Jarion Richardson:** Yes, and point of order for myself—

**The Speaker:** Premier, the Member did make some suggestions.

#### POINT OF ORDER

**Mr. Jarion Richardson:** We did also add that we support bringing down health care costs. I spoke to hearing from specific stakeholders, including Bermuda Medical Council, Bermuda Medical Doctors Association, and as well as providing actuarial reporting for the consideration of this Bill.

Thank you, Mr. Speaker.

**The Speaker:** Thank you.

**Hon. E. David Burt:** But Mr. Speaker, here is the thing. I will get to all of that. But I am going to stick on my point, Mr. Speaker, that it is not a question of, *Oh, we want to lower health care costs—but we do not want this. Oh, we want lower prescription drug prices—but we do not want this.* And the question is, *What do they want?*

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker. The Honourable Member . . . point of order, Mr. Speaker.

**The Speaker:** Point of order. Will take your point of order.

**POINT OF ORDER**  
[Imputing improper motive]

**Mr. L. Craig Cannonier:** The Honourable Member is misleading the House and imputing motive, incorrect motive.

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

**Hon. E. David Burt:** Mr. Speaker, it is not a question of imputing improper motive. It is a question of what we are seeing as a pattern, as the Honourable Member from constituency 9 has stated, *Oh, it is not perfect; oh, it should not . . . oh, we support the aim but we don't support this.* That is what it is about, Mr. Speaker.

And I understand the political direction we are coming from, but that is not leadership. Leadership is you say that we are determined to do this and this is the tool of which we are going to use to execute it, Mr. Speaker. And as legislators in this House, we have to be honest, and we have to do hard work and we have to actually study. So, why on earth would it be that the Minister of Health tabled this Bill two weeks ago, gave a Ministerial Statement and here we are listening to members of the Opposition—former premiers of the country—asking whether or not there was consultation. I have not heard from people on whether or not they were—

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker. Point of order, Mr. Speaker.

**The Speaker:** What is your point of order?

**POINT OF ORDER**  
[Misleading]

**Mr. L. Craig Cannonier:** The Honourable Member is misleading the House. Consultation *has taken place* by ourselves *with* industry stakeholders. I mentioned some of that in my speech, and they had not been consulted.

What the Honourable Minister of this Bill has not shown is what she did *for* consultation. If we want to dispel that, then they need to tell us what they have done as far as consultation is concerned, because we have spoken to the stakeholders. And for the Premier to get up and speak of former premiers and the like is just showboating!

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

**Mr. L. Craig Cannonier:** [INAUDIBLE] in the industry. It is important to get lower prices!

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

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

I will refer to the Hansard of this Honourable House when the Honourable Minister tabled this Bill on February 19<sup>th</sup> and when she tabled the Bill, and I will say to quote of the consultation that was done, Mr. Speaker, because she spoke to the consultation that was done. And if Honourable Members were listening at the time, they would have known.

And I quote from the Honourable Minister's Statement when she tabled this Bill: "Investigations undertaken by the Health Council, including extensive stakeholder consultation with public and private insurers, pharmaceutical wholesalers, pharmacy owners, the Pharmacy Council, physician representatives and others, have identified the introduction of the national drug formulary as an appropriate means by which drug affordability can be pursued."

The fact is, Mr. Speaker, as the Honourable Minister said, this has been going on for a very long time. There have been multiple reports that have said that Bermuda should move towards a drug formulary. But that is not unsurprising, Mr. Speaker, because there have been multiple reports in this country that have said that Bermuda should do *a lot* of things.

This Government takes those recommendations and advances them. The opposite side had plenty of time to push these things forward if they wanted to, if they were *serious* about tackling the price of prescription drugs. They . . . were . . . not!

The first recommendation came from Bermuda Health Council way back in 2010, something they could have picked up, Mr. Speaker. But they were not interested in advancing it. So, it is almost talking from the cheap seats that someone else is actually picking up the baton, and then you are sitting there and you are saying you do not want to do it. You know what the people of the country hear, Mr. Speaker?

**Mr. Jarion Richardson:** Point of clarification, Mr. Speaker.

**Hon. E. David Burt:** The people of the country hear the doubletalk for which it is. You either want to move forward—

**The Speaker:** Point of clarification. Go ahead with the point. We will take your point.

**Mr. Jarion Richardson:** Just a question for the Honourable Premier, Mr. Speaker.

**Hon. E. David Burt:** Is there a point of order, Mr. Speaker?

**Mr. Jarion Richardson:** Clarification.

**The Speaker:** What are you seeking?

**Mr. Jarion Richardson:** I am seeking clarification on the listing of the consultants and key stakeholders. It was—

**Hon. E. David Burt:** I do not yield on this.

**The Speaker:** Well, Member, as a new Member, let me just assist you here. The point of orders . . . the Member speaking has to accommodate a point of order. A point of clarification . . . it is up to the Member whether or not he will accept it. And the Premier says he is not yielding to your point of clarification. So, Premier, continue on.

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker.

**The Speaker:** Point of order.

**POINT OF ORDER**  
*[Misleading]*

**Mr. L. Craig Cannonier:** Yes, the Honourable Premier is misleading the House. We have not said that we did not agree with lowering the price of prescription medications. We have not said that we did not agree with the Bill in the sense that it wanted to move forward with lowering prices. It is a methodology in ensuring that we get it as close to possible as right. We *all* agree through consultation that this is a way to go, but there are questions around that. No one is saying no to the Bill.

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

**Hon. E. David Burt:** Well, Mr. Speaker, I will put it this way: That is a very funny way of saying yes. A very, very, funny way of saying yes.

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker.

**POINT OF ORDER**  
*[Misleading]*

**Mr. L. Craig Cannonier:** The Premier is misleading the House. There is nothing funny about this here. This is a serious subject, and that is why there is the intensity of questioning that is going on, including by people on this side who are *in the industry*. Just like he is in the industry of technology and he was very vehement and strong about what he has to say, there are many of us who are in the industry who understand and have questions. So we are looking for some answers.

**The Speaker:** Thank you.

**Hon. E. David Burt:** Mr. Speaker, I would like to—

**The Speaker:** Mr. Premier, basically, it comes down to just different viewpoints of trying to reach a similar goal.

**Hon. E. David Burt:** Oh, I understand completely, Mr. Speaker. I get it. But here is the thing, Mr. Speaker. I will repeat the comments, because I stand by the comments and the opinion of which I have the right to express in this Honourable House, Mr. Speaker. But the Opposition cannot have it both ways. They cannot have it both ways.

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker.

**POINT OF ORDER**  
*[Misleading]*

**Mr. L. Craig Cannonier:** The Honourable Premier is misleading the House once again. No one is trying to have it both ways. This is legislative work and sometimes it requires back and forth to ensure that we get it right. And sometimes—

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

**Mr. L. Craig Cannonier:** —we don't, because we are going back and forth! He knows that!

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

I think all members of the House understand that part of the reason we come to Parliament is to scrutinise the matter that is before us. And that scrutiny requires us to go back and forth on occasions, and requires us to bring different viewpoints to the discussion. It is not that we always disagree or agree, but it is part of the process.

Continue, Premier.

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

Mr. Speaker, the Honourable Member knows that he has plenty of time to scrutinise when we go into Committee and go clause by clause and to go back and forth. I am speaking to the principles of this Bill, Mr. Speaker. And the principles of this Bill are sound. And the arguments which we are hearing from the other side are classic arguments that are political arguments which take place, which say, *Oh, yes, you know, we support the objective, but this is the way to do it*. But what is—

**Mr. Scott Pearman:** Point of order, Mr. Speaker.

**Hon. E. David Burt:** —their suggestion as the way to do it?

**The Speaker:** Point of order.

**POINT OF ORDER***[Imputing improper motive]*

**Mr. Scott Pearman:** Point of order, Mr. Speaker. The Honourable Premier is imputing improper motive. He is suggesting that we are opposing simply for the sake of opposing. He has failed to notice we are not opposing actually. We are asking questions about what happened, whether there was adequate consultation, whether there are unintended consequences. We are doing, Mr. Speaker, precisely what our job of the Opposition is to do. I am sorry if that offends the Honourable Premier, but do not ascribe false motives to us, sir.

**Hon. E. David Burt:** Mr. Speaker, I—

**The Speaker:** Just for clarity for everyone, it seems that both sides agree on the principles of this Bill. It is just the methodology that is being questioned. And the parliamentary process affords the opportunity for the questioning of different methodologies or consideration of different methodology. And it is part of the scrutinising that should come about for all pieces of legislation that takes place in the House. It is not that there is fighting for the sake of fighting. It is not that there is disagreement for the sake of disagreement. It is part of the process of scrutinising the Bill.

Continue, Member.

**Hon. E. David Burt:** Thank you, Mr. Speaker, and as I have said, I am certain that Members of the Opposition will have plenty of time to scrutinise this Bill when it gets into the Committee stages and to add their opinion. However, they have stated the questions which they have. So I will go back to the argument, Mr. Speaker.

Number one, they have questioned consultation. The fact is that the Minister laid out all the bodies which were consulted previously when she tabled this Bill. This is not the first time the Minister of Health has mentioned the issue of a national drug formulary inside of this Honourable House. It was something that was discussed during last year's Budget Debate, and the Budget Debate the year before. And it is something that was inside of our election manifesto and something which we are advancing, Mr. Speaker. So, I am happy that the other side claims to say that they support the lowering of prescription drugs.

But they also claim to say in their clever way that this Bill will not do what it is intended to do. That is what they say all the time, Mr. Speaker. It is the same thing we heard in another debate.

**Mr. L. Craig Cannonier:** Point of order, Mr. Speaker. Point of order, Mr. Speaker.

**The Speaker:** Point of order.

**POINT OF ORDER***[Misleading]*

**Mr. L. Craig Cannonier:** The Honourable Premier is misleading the House again. No one is attempting to be clever. I know of no doctors who were consulted. Maybe clarify that.

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

**Hon. E. David Burt:** Mr. Speaker, again the Minister of Health will answer the questions which have been posed by Honourable Members. My job is not to answer those questions. My job is to state that what we are seeing is a classic pattern. It is a classic pattern.

The fact is that it is difficult to lead. It is difficult to make decisions that are in the best interests of this country. It is difficult to take on interests and say that we are going to press forward and lower drug prices. Some people are not going to like it, Mr. Speaker, just like some people did not like it when we took away a 49-year-old giveaway to health insurers in this country. Some people are not going to like it.

Some people are not going to like it when you reform taxation and ensure that the people who have never paid taxes on unearned income pay those taxes like we did in 2017 and 2018, Mr. Speaker. Some people are not going to like it. But that is what we were elected to do—to make progress, Mr. Speaker. And we must push ahead and make progress.

So, when I listen to the comments coming, in my opinion, Mr. Speaker, they ring hollow, because it is either you *want* to do it, you are really involved, the real fact is that you are like, *You know what, the Minister of Health has worked with the Opposition before, the Minister of Health has laid out these things. I have some questions, let me go ahead and have a chat with the Minister of Health . . . X, Y, Z.*

No, No. Is there a question of consultation? The Minister laid out the Bill the other day when she gave the Ministerial Statement, [outlined] the consultation they had, *Is there a question?* This is an attempt to poke holes.

So, here is what I am going to say, Mr. Speaker. I am going to say that the Honourable Member from constituency 22 who led up the debate went with the classic aforementioned [pattern] of what is the Opposition: *This Bill will not do what is intended. Oh, we support the principle, but this Bill will not do what is intended.*

Here is the thing, Mr. Speaker. Do they have amendments that are coming in Committee? Do they have things which they discussed? Or is this, as I have said, the positioning of saying, *Oh, let's go ahead and poke holes.*

I am going to close my comments today on this, Mr. Speaker, because there is no question that I support what is being laid down today, Mr. Speaker. None whatsoever.

I am going to quote from an Honourable Member, and I am going to read from the Hansard, if you give me permission to do it.

**The Speaker:** Thank you. You have permission. Keep it brief.

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

The Hansard is from November 11, 2011. In a Throne Speech debate given after the Maiden Speech of the Honourable Member from constituency 12 in this Honourable House on the debate on the Progressive Labour Party's Throne Speech, and I quote: "You can always try to improve. Another thing that we would do is lower prices for prescription medications.

"Now one of the things we want to do is promote increased use of quality-approved generic pharmaceuticals by establishing a Bermudian national formulary to assist doctors in cost-effective prescribing."

The contribution of that is from the late Honourable Member Mrs. Louise Jackson and *she* was a fighter for seniors, just like the Honourable Member from constituency 4 is a fighter for seniors, and the seniors of this country, Mr. Speaker, will applaud what this Government is doing today.

Thank you, Mr. Speaker.

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

Does any other Honourable Member wish to make a contribution at this time? Any other Member?

There are none.

Minister, do you mind to wrap up and lead us into Committee?

**Hon. Kim N. Wilson:** Yes, thank you, Mr. Speaker, and I thank Honourable Members for their contribution.

I think, Mr. Speaker, we know from the 2017 survey that residents clearly said that medicine was too expensive and that they needed more help, particularly getting medicines for the elderly. And again, Mr. Speaker, the Progressive Labour Party has heard the cry and this Bill seeks to address the need of our residents that we have heard as we have canvassed up and down the Island and their comments and concerns as it relates to affordability of medication.

The largest out of pocket expense, Mr. Speaker, spending on health for members of our community, is our medication. And if you look at the insurance claims, one in every five claims is for a prescription drug. The only [higher] claim is for services in hospital, Mr. Speaker.

Mr. Speaker, as the Premier outlined, I guess my biggest regret with respect to this brief is that I did not reiterate the level of consultation that has taken place as I said in my Ministerial Statement when this Bill was tabled. Mr. Speaker, this has been on the

agenda since 2012. It has been quite a long time that we have been talking about a drug formulary.

I am discouraged by the suggestion that we should wait a little bit longer or wait at least another month, et cetera, et cetera, because I do not think the residents of Bermuda want us to wait any longer. They want to ensure that they can have access to medication at an affordable cost and this is what this seeks to do.

Mr. Speaker, there were quite a lot of comments and questions concerning the consultation. The Ministerial Statement that I delivered a couple of weeks ago spoke to this. But I would also like to invite Members to remember that the consumer pricing guidance for prescription drugs which will form the initial formulary was established in February of 2018. And in order to get that established, we consulted heavily with the physician community.

In addition to that, Mr. Speaker, save for this past 2020 when it was a little bit more problematic to do consultation for obvious reasons, consultation was extremely detailed for the prior three years leading up to this particular point. And for Members that are interested, there is a full list of all the consultation dates on the Health Council's website, as well as a full policy paper that was delivered based on the full feedback. So, I would invite Members to look at that with respect to that. That addresses specifically the issues of consultation.

Mr. Speaker, moving quickly with respect to our sister islands in the eastern Caribbean, both Jamaica, the eastern Caribbean and PAHO all shared their prices. So, we know what the prices are with respect to what they are paying for medications. They shared those prices with our Health Council, which is why I was able to say in my brief that we know that we in Bermuda are paying *far more* for certain medications than our sister islands to the east and south.

Mr. Speaker, PAHO has also advised us that doing better negotiations and partnering with other countries, such as those countries and the islands, will help us to get better pricing on drugs, even those special drugs. A perfect example of that, Mr. Speaker, is with respect to the HIV drugs. Even though we are a smaller jurisdiction, we have been successful in purchasing HIV drugs at a cost with 90 per cent reduction. So, when we work together, we can see the benefits that will behove each and every one of us.

Mr. Speaker, there were some questions concerning HIP. HIP does not pay for medications as was unfortunately stated incorrectly during the course of the debate. HIP does need to have some fiscal space, and this is one of the principal objectives of this legislation, so that we will be able to add medications to HIP so that it can be a benefit. And by lowering the cost to insurers such as HIP, we will be able to provide more access to prescription drugs by creating these more robust benefits.

Mr. Speaker, I believe that answers the few comments and questions that did come up and as such, I would like to move that this Bill now be committed.

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

Members, are there any objections to the Bill being committed?

There are none. Deputy Speaker.

**Hon. Derrick V. Burgess, Sr.:** Thank you, Mr. Speaker.

**House in Committee at 9:29 pm**

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

## COMMITTEE ON BILL

### BERMUDA HEALTH COUNCIL AMENDMENT ACT 2021

**The Chairman:** Honourable Members, we are now in Committee of the whole [House] for further consideration of the Bill entitled, the [Bermuda Health Council Amendment Act \[2021\]](#).

Minister, you have the floor.

**Hon. Kim N. Wilson:** Mr. Chairman, with your leave, I would like to move clauses 1 through 5.

**The Chairman:** Continue.

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

Mr. Chairman, clause 1 provides a title to this Bill.

Clause 2, Mr. Chairman, amends section 15 of the Bermuda Health Council Act 2004 to provide for a breach of regulations made under the Act to be subject to a fine not exceeding \$50,000 and for the Bermuda Drug Formulary to be amended in regulations subject to the negative resolution procedure.

Mr. Chairman, the clause also provides for the Council to publish by notice information relating to its functions and required to be published. The notice can be published in the *Gazette*, on the Council website, or in any other manner as the Council may determine.

Mr. Chairman, clause 3 provides for the Bermuda Health Council (Drug Formulary) Regulations 2021 (hereinafter, Mr. Chairman, I will refer to it as “the Regulations”) that are set out in Schedule 1.

Mr. Chairman, Regulation 1 is the citation.

Regulation 2 sets out the definitions.

Regulation 3 provides the meaning of the Bermuda Drug Formulary (which is a list of medications and other products used in medical treatment) and relevant information which are recommended by the Pharmacy and Therapeutics Committee and approved by the Bermuda Health Council. Accordingly,

Mr. Chairman, the Bermuda Drug Formulary is to include medications and medication-associated products, medical devices, relevant drug information, medical product costs, and such other detail and information as the Council may deem appropriate.

Regulation 4 deems the existing consumer pricing tool for prescription drugs published and implemented by the Council in February 2018 as the Bermuda Drug Formulary made under Regulations. The Regulations provide for the drug formulary to be maintained and periodically updated and for the approved formulary to be published from the Council website.

Mr. Chairman, Regulation 5 sets out the Council’s duties in respect of the drug formulary, which are to develop guidelines regarding the standard use of medication; implement the drug formulary and keep it up to date; assign prices to the medical products in the drug formulary; ensure evidenced-based decision-making; secure, where possible, cost reductions for patients; establish and enforce a national drug code; and participate in negotiations for the procurement of medications.

Regulation 6, Mr. Chairman, provides for the Minister in consultation with the Council to appoint the Pharmacy and Therapeutics Committee. The committee shall consist of a member of the Board of Directors of the Council, who shall be chairperson of the committee; a member of the Secretariat of the Council; a representative of the pharmaceutical market in Bermuda; a representative of the health services market in Bermuda; one international member representing the pharmaceutical market in the region; and such other members representing relevant areas of health expertise, who may be appointed on an ad hoc basis by the Council.

Mr. Chairman, Regulation 7 sets out the functions of the committee, which are to advise the Council by identifying the medical products for inclusion in the drug formulary; to regularly review and assess new drug applications, classes and critical indications; to determine with the Council how medical products will be reviewed for addition to or deletion from the drug formulary; and to determine the process for managing product shortages.

Regulation 8 sets out the drug formulary principles that the committee is required to consider when making recommendations to the Council relating to maintaining and updating of the Bermuda Drug Formulary. These principles require the committee to consider making decisions that are supported by scientific evidence and appropriate standards of practice. The committee shall make recommendations based on the health needs of the people of Bermuda.

And Regulation 9 provides for an additional function of the committee, which is to propose for the Council’s approval the formulary exception process that is to apply with respect to medications that are not listed on the drug formulary, or in the case of med-

ications that may require prior authorisation. The formulary exemption process is to be timely, uncomplicated and efficient.

Mr. Chairman, Regulation 10 empowers the Council to require the monthly submission of data from insurers, health professional institutions, importers, the Department of Customs and the Department of Financial Assistance. Such data include pharmaceutical sales data and national drug codes; and the health professional institutions include pharmacies, medical practices and hospitals.

Mr. Chairman, Regulation 11 requires the Council to establish the national drug code for Bermuda for the purposes of monitoring levels of compliance with, and the safety of, the drug formulary. The national drug code is defined in Regulation 2 as a unique 10-digit number that is determined by the Council to identify all medications found in Bermuda, and that is used as a reference number in all transactions involving purchase and importation, point of sale and insurance reimbursement of medication.

Regulation 12 requires the entities named in that Regulation to cause the relevant drug code from the national drug code established by the Council to be clearly stated on products and documentation used in their operations. This includes placing the relevant drug code on import documents, accounting records, product labels and point of sale records. The identified entities include insurers, pharmacies, health professionals (including hospitals), local importers or distributors of pharmaceutical products, and the Department of Customs.

Regulation 13 enables the Council to participate as a negotiator on behalf of Bermuda in the procurement of medical products in bulk from international suppliers and at a reduced rate from local suppliers. And in so doing the Council may cooperate with the government, any pharmacy or other supplier of medical products. The purpose is to achieve cost-effective medical products.

Regulation 14 provides for the Council to publish notices on information relating to its functions and required to be published. Such notices include publication of the Bermuda Drug Formulary, as approved from time to time by the Council, and publication of appointments in the Pharmacy and Therapeutics Committee.

Regulation 15 provides for offences and penalties under the Regulations.

Clause 4 makes consequential amendments to the Pharmacy and Poisons Act 1979 and to the Health Insurance (Health Service Providers and Insurers) (Claims) Regulations 2012, which are set out in Schedule 2. With respect to the Pharmacy and Poisons Act 1979, the amendments increase fines from \$5,000 to \$20,000 for summary offences, and from \$15,000 to \$50,000 for indictable offences. The purpose of these increases in fines under the Pharmacy and Poisons Act is to better align the fines under the

Act with fines under the Bermuda Health Council Act 2004 and [associated] regulations, and to encourage compliance. With respect to the Health Insurance (Health Service Providers and Insurers) (Claims) Regulations 2012, the amendments insert the application of drug codes.

Clause 5 provides for the Act to come into operation on such day as the Minister may appoint by notice published in the *Gazette*.

Thank you, Mr. Chairman.

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

Any further speakers to clauses 1 through 5?

**Mr. Scott Pearman:** Mr. Chairman, MP Pearman. My questions are all in Schedule 1.

**The Chairman:** Honourable Member Pearman, continue.

**Mr. Scott Pearman:** Thank you.

Honourable and Learned Minister, may I pose a question on Schedule 1, paragraph 4 of the Schedule? And I just want to ask, here it seems that the formulary is . . . in fact, what is going to happen is they are going to take the existing consumer price tool from a list that already exists, which is the February 2018 list, and then deem it to be the new list. Have I understood that correctly? Is that the process around that?

**Hon. Kim N. Wilson:** That is correct. That will be the drug formulary. That will be the commencement of the list. That is correct.

**Mr. Scott Pearman:** And what sort of process will there be to update the February 2018 list to get it up to date? Will that be the role of the Council?

**Hon. Kim N. Wilson:** Mr. Chairman, that will be the role of the Pharmaceutical and Therapeutics Committee.

**Mr. Scott Pearman:** Right. Thank you.

My next question, please, is still in Schedule 1, paragraph 5(3), which is on page 5 of the Bill (or page 5 of the copy of the Bill I have). And this is . . . in effect we are creating what I call a *layer of bureaucracy*. But we are creating this committee, this pill panel. But the Council will sit above the pill panel and can still overrule them. Is that right? That is how I read [Schedule 1, paragraph 5](3)(a) and (b).

**Hon. Kim N. Wilson:** Mr. Chairman, as per paragraph 5(3)(a) and (b), the Council will determine . . . if they determine not to implement a recommendation of the committee, then they shall state the grounds for its decision and proceed with the decision only in the case [in which] the committee fails to satisfy, counter the grounds advanced by the Council.

**Mr. Scott Pearman:** Right. So there will be a sort of back-and-forth, and ultimately the Council will prevail. Is that correct?

*[Inaudible interjection]*

**Hon. Kim N. Wilson:** Did you hear me, Mr. Chairman?

**Mr. Scott Pearman:** No, I did not.

**The Chairman:** I did not either.

**Hon. Kim N. Wilson:** Mr. Chairman, I am sorry. Yes, that is correct.

**Mr. Scott Pearman:** Thank you, Honourable Minister.

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

**Mr. Scott Pearman:** My next question is on page 6. It is again Schedule 1, paragraph 6(2)(a) to (f). And paragraph 6(2)(a) to (f) identify the people who are going to be sitting on the committee. And specifically, paragraph 6(2)(e) identifies that there will be one international member representing the pharmaceutical market in that region. Can you assist with what that individual . . . what that means? I mean, is that someone who is on the *sell side*, as it were?

**Hon. Kim N. Wilson:** Mr. Chairman, I did speak to that in the brief. It could potentially be someone who is from the region in the Eastern Caribbean, such as Jamaica and within that region, who have had formularies for quite some time. And we would be able to levy their expertise with respect to the administration under this particular committee.

**Mr. Scott Pearman:** Do I understand the Learned and Honourable Minister's response to mean that it would be a representative of a regional formulary rather than a representative of the pharmaceutical market in the region? Because I do not see those as being the same thing.

*[Inaudible interjection and laughter]*

**Hon. Kim N. Wilson:** Mr. Chairman, I will seek to gather more information from the technical team in a moment. But it could be one person who is an international member representing the pharmaceutical market in that region. So when I spoke in the brief about persons who had been part of that . . .

Mr. Chairman, I am going to get more details—if I can just stand by and continue answering questions—from the technical team, please.

**The Chairman:** Yes.

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

**The Chairman:** Yes. Mr. Pearman, can you continue?

**Mr. Scott Pearman:** Yes, only a couple of more questions while the Honourable and Learned Minister is checking with the technical team.

My next question is again on Schedule 1, still at page 6, paragraph 7. And it identifies here the pill panel, the committee. And I am just wondering whether these will be paid roles.

And then two more questions after that. And with your leave, Mr. Chairman, I will put them all together and she can answer them all together. My penultimate question is at page 8 of the Bill, [Schedule 1] paragraph 9. Paragraph 9 discusses the concept of a formulary exception process. So as I understand it, it is finding what will not go on the list, what is exceptional to the list. But the paragraph does not actually identify what the process will be. And so if the Honourable and Learned Minister could touch briefly on what the exception process will be, because it does not seem to say how that is going to work.

And then the last question from me is on page 10 of the Bill, again Schedule 1, paragraph 13. And here it is about Council participation in drug purchase negotiations. And again, I would be grateful if the Minister could just set out how that is going to work in practice. Is the Council going to be conducting commercial purchasing? Or is it merely going to be assisting in negotiations with other commercial purchasers?

So, Mr. Chairman, those are the four questions I have, and I would be grateful for responses when convenient to the Minister.

**The Chairman:** Thank you, Honourable Member. Are there any further speakers? No further speakers. Minister.

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman. Yes.

Mr. Chairman, I will answer the last question first. The Council would be participating in the procurement and the negotiation with respect to procuring drugs. They could, as I said in the brief, work with the government, a pharmacy or any other suppliers that could help to procure drugs for better bidding processes. So the significant goal of this part of the legislation is to achieve optimum volume discounts so that those savings can be passed on to the consumer.

Mr. Chairman, with respect to the question by the Honourable and Learned Member, concerning [Schedule 1(6)](2)(e), there will be a pharmaceutical expert from the region. And there could possibly be . . . oh, that is it. I believe that is it. Schedule 1, paragraph 6(2)(3) answers the last question.

*[Crosstalk]*

**Hon. Kim N. Wilson:** Oh, and the council shall approve the formulary with respect to Schedule 1, paragraph 9, Mr. Chairman—

**The Chairman:** Yes.

**Hon. Kim N. Wilson:** The committee is given power to come up with the processes as it relates to how they will provide for the exception processes. However, as the legislation states, which I must reiterate, it must be a process that is timely, uncomplicated and efficient.

**Mr. Scott Pearman:** Thank you, Honourable and Learned Minister.

Mr. Chairman, just a couple of questions arising from those answers.

**The Chairman:** Yes. Continue.

**Mr. Scott Pearman:** If I may, firstly on the representative member. So it is going to be someone from the pharmaceutical industry. It is going to be someone on the sell side of pharmaceuticals rather than a representative of a formulary in the region. Is that right?

**Hon. Kim N. Wilson:** From the information I received from the technical team, it would be a pharmaceutical expert from the region.

**Mr. Scott Pearman:** An expert. I see. Okay. Well, the point, and then you will have it, Honourable Minister. You know we do not want someone on there who is going to have an inherent conflict about where pills are purchased.

And I think that the question also you did not address, Honourable and Learned Minister, was just whether this committee, the pill panel, will be paid.

*[Pause]*

**The Chairman:** That is it, Mr. Pearman?

**Mr. Scott Pearman:** I am sorry. I did not hear anything from the Minister. I hear you—

**Hon. Kim N. Wilson:** I am sorry. I am so sorry.

I do not have the answer to that as to whether or not the Pharmaceutical and Therapeutic Committee members will be paid, will receive some type of remuneration. I will undertake to get that answer and supply it to the Honourable and Learned Member.

**Mr. Scott Pearman:** Thank you, Mr. Chairman.

**Hon. Kim N. Wilson:** I suspect the answer is yes because it would be, I guess, akin to other statutory government boards. But I do not know. So, Mr. Chairman—

*[Crosstalk]*

**Mr. Scott Pearman:** The Bill does not provide for it, which is why I posed the question.

But I thank the Minister for her answers. And I thank you, Mr. Chairman.

**The Chairman:** Thank you, Honourable Member, Mr. Pearman.

Are there any further questions, comments? There appear to be none.

Minister, do you want to move the clauses?

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

Mr. Chairman, I would like to move that clauses 1 through 5 be approved.

**The Chairman:** It has been moved that clauses 1 through 5 be approved.

Are there any objections to that?

There appear to be none.

Approved.

*[Motion carried: Clauses 1 through 5 passed.]*

**Hon. Kim N. Wilson:** Mr. Chairman, I move that the preamble be approved.

**The Chairman:** It has been moved that the preamble be approved.

Are there any objections to that?

There appear to be none.

Approved.

**Hon. Kim N. Wilson:** Mr. Bill.

I am sorry.

*[Laughter]*

**Hon. Kim N. Wilson:** I am sorry, Mr. Chairman.

**The Chairman:** That is all right.

**Hon. Kim N. Wilson:** I move that the Bill be reported to the House as printed.

**The Clerk:** And I need some clarification. Are the Schedules included?

**Hon. Kim N. Wilson:** Yes, they are. Mr. Chairman, I apologise. The Schedules are included. I move the Schedules as well, Mr. Chairman.

**The Chairman:** Yes. I do not have the Bill in front of me.

**Hon. Kim N. Wilson:** There are two Schedules, Mr. Chairman.

**The Chairman:** Yes.

**Hon. Kim N. Wilson:** Schedule 1 actually is the regulations.

**The Chairman:** Yes. It has been moved that the Schedules be approved.

Are there any objections to that?

There appear to be none.

Approved.

*[Motion carried: Schedules passed.]*

**Hon. Kim N. Wilson:** Mr. Chairman, 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.

Are there any objections to that?

There appear to be none.

**Hon. Kim N. Wilson:** Mr. Chairman, with your leave, can I answer that one last question for the Honourable and Learned Member with respect to remuneration of the committee?

**The Chairman:** Yes, you can.

**Hon. Kim N. Wilson:** The answer is no. The answer is no, Mr. Chairman.

**Mr. Scott Pearman:** Thank you, Minister. Thank you, Mr. Chairman.

**Hon. Kim N. Wilson:** Thank you for your indulgence, Mr. Chairman.

**The Chairman:** Yes. Thank you.

It has been moved that the Bill be reported to the House as printed.

Are there any objections to that?

There appear to be none.

The Bill will be reported to the House as printed.

*[Motion carried: The Bermuda Health Council Amendment Act 2021 was considered by a Committee of the whole House and passed without amendment.]*

**The Chairman:** With that, we will go *ding-dong* for the Speaker.

**House resumed at 9:49 pm**

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

## REPORT OF COMMITTEE

## BERMUDA HEALTH COUNCIL AMENDMENT ACT 2021

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

**Hon. Derrick V. Burgess, Sr.:** Thank you, Mr. Speaker.

**The Speaker:** Members, it has been moved that the Bill be reported to the House.

Are there any objections to the Bill entitled the Bermuda Health Council Amendment Act 2021 being reported to the House as printed?

There are no objections. The Bill has been reported and received.

The next item on the Order Paper I believe is being carried over. So that brings us to the end of the Orders of the Day.

Minister, would you like to do your third reading?

## SUSPENSION OF STANDING ORDER 21

**Hon. Kim N. Wilson:** Yes, Mr. Speaker.

I move that Standing Order 21 be suspended to enable me to move the Bill entitled Bermuda Health Council Amendment Act 2021 be now read the third time by its title only.

**The Speaker:** Are there any objections?

No objections.

Continue, Minister.

*[Motion carried: Standing Order 21 suspended.]*

## BILL

### THIRD READING

## BERMUDA HEALTH COUNCIL AMENDMENT ACT 2021

**Hon. Kim N. Wilson:** Mr. Speaker, I move that the Bill be now read the third time by its title only and passed.

**The Speaker:** The Bill has been read a third time by its title only. Are there any objections?

No objection.

The Bill has now been passed.

*[Motion carried: The Bermuda Health Council Amendment Act 2021 was read a third time and passed.]*

**Hon. Kim N. Wilson:** Thank you, Mr. Speaker.

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

## ADJOURNMENT

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

Mr. Speaker, I move that this Honourable House do now adjourn until Monday, March the 15<sup>th</sup>. And it is my motion, Mr. Speaker. I do want to let you know that one of my Members is speaking, but I would like to close if you do not mind as well, Mr. Speaker.

**The Speaker:** Oh, you can close right now.

[Laughter]

**Hon. E. David Burt:** I understand. But I know that one of my Members wants to speak. So I would not want to cut them off, Mr. Speaker.

**The Speaker:** Is there any Member who would like to make a contribution under this motion to adjourn?

**Hon. E. David Burt:** Yes. Chris, you are muted in there. You have got to turn on the thing.

**The Speaker:** Is there any Member? I only hear the Premier, no one else.

**Hon. E. David Burt:** He is right there.

**Mr. Christopher Famous:** Yes, Mr. Speaker. Good evening.

**The Speaker:** The Honourable Member from Devonshire. Honourable Member Famous, is that your voice?

**Mr. Christopher Famous:** Yes.

**The Speaker:** Well, I am muting the clock now, so you have your 20 minutes.

**Mr. Christopher Famous:** I will not take that long, Mr. Speaker.

**The Speaker:** Thank you.

### THE DANGER OF COVID-19 VACCINATION HESITANCY

**Mr. Christopher Famous:** Mr. Speaker, good evening. And good evening to the people of Bermuda. Good evening to my honourable colleagues, wherever you may be scattered around the Island.

Mr. Speaker, one year ago, approximately, was the last time we all sat in your Honourable House as one body. You took great pains to explain to us and the people of Bermuda that we are encountering something now that we have not seen before. And we will have to improvise in order to continue the work of the people.

At one point we tried . . . I should say you tried . . . you staggered Members in the House. And then eventually we had to go to an online presence. All because of something called COVID-19, not just our presentations in the House have changed, but our entire way of life has changed.

People walking around with a mask before would probably get someone calling the police. Now if you do not have a mask on, somebody is going to probably call the police. People are working from home. People are being schooled from home. People are doing texts from home. So many things have changed in the last 365 days, Mr. Speaker.

And during that time of this upheaval, people are like, *What can we do to get back to normal? This is the end of the world!* And, *Blah, blah, blah, I cannot even shop on the days I want to shop. We need a vaccine!* Three-hundred and sixty-five days since that time. We now have a vaccine for the last month, two months, in our Island. And today the newspaper reported that 40 per cent of the population has had at least the first shot; 16 per cent have had both shots. And if the trend continues, we should have the vast majority of the population fully vaccinated by (I am just using my estimate) April, May or June. So such is the miracle of science and technology.

Now there are those who are sceptical for more than one reason—some for valid reasons, some for *Oh-I-saw-this-on-the-Facebook* reason. Now, here is the thing, Mr. Speaker. We could comfortably say that we have 40 per cent of our population vaccinated. Yes. Unfortunately, our cousins to the south of us in the Caribbean region cannot say the same thing. Why is that? Is it because people do not want to be vaccinated, Mr. Speaker? No, that is not the case. Is it because they do not have people willing to administer vaccines? No, that is not the case.

The case is that the rich countries of the world are essentially stockpiling vaccines for themselves and are not selling, giving, donating to the developing world. So much so that our brothers and sisters in the south, with the exceptions of a few islands, have had to go to the Government of India and the African Union in order to get enough vaccines just to get rolling.

Jamaica has just started their vaccine programme two days ago with a shipment of 50,000 doses. Some might say that is a lot. But Jamaica's population is 3 million. Trinidad's population is 1.5 million. The rest of the English-speaking Caribbean is another million. That is 5.5 million persons, Mr. Speaker. And there are not even half-a-million vaccines in the Caribbean region at present. I am not even counting Cuba or Haiti or the Dominican Republic or Puerto Rico. I am just strictly talking about the English-speaking Caribbean.

I say that to note to the people of Bermuda that while we have some folks up here deliberating whether they are going to take a vaccine or whether they are not going to take a vaccine, other people are

not so fortunate. So I encourage Bermudians to speak to their GP, speak to their doctor, get sound medical advice. And most likely this advice is going to lead you to either the Bermuda College or to the Bermuda Hospital.

Mr. Speaker, the little bit of vaccines that are in the Caribbean region are being shared amongst islands. Honourable Premier Mia Mottley of Barbados got a shipment of 70,000 vaccines from India. She did not get to keep it for her own Barbadian people. She shared it amongst people in Guyana, Dominica and Granada. That is the essence of brotherhood and sisterhood.

Mr. Speaker, today we deliberated about tourism. We had something in the newspaper about a certain hotel looking for a certain guarantee, all of these sorts of things. All of that is academic unless we have people coming to our Island, Mr. Speaker; people coming to our Island whether they come here for the long term as long-term residents, digital nomads or jet-setters, or mom and pop taking a cruise. But they are not going to come to an island that has been deemed unsafe due to COVID-19. They are not going to come to an island unless they know that they have very little chance of catching COVID-19 in this Island. And how does that happen, Mr. Speaker? That happens by us as a population getting ourselves vaccinated.

Now, there are those who say, *The vaccine is a product of the Illuminati. The vaccine is a product of a certain very rich individual who would want to take over the world.* Then you say to yourself, *What's the logic here?* If someone is going to give us a vaccine to kill us all off, well, who are they going to sell all of their products to? Nobody.

They say, *Well, governments are trying to kill off whoever takes the vaccine.* So the first people who take the vaccines are medical people, police and so on, teachers. So a government is going to conspire to kill off their police, their security forces, their medical professionals and their teachers, and their fellow politicians? Where is the logic in that? There is none.

So I say again to the people of Bermuda, stop listening and watching these conspiracy theories.

Mr. Speaker, back to tourism. In two months' time, the St. Regis Hotel is going to open in the east. And it is going to be a shot in the arm for our tourism product. Whether you pay \$600 a night is up to you, but it is a shot in the arm for our tourism product. We have other hotels and mom-and-pop Airbnbs which need to be opened. We have restaurants that are struggling. We have our taxi drivers who are struggling. We have the landlords of these persons who are struggling because their tenants cannot pay the rent. There is a whole knock-on effect when people are not working, Mr. Speaker.

And what do we have to do to get ourselves back to some semblance of normalcy? There is only one way out, Mr. Speaker. There is no miracle going

to drop down from the sky. A year ago we were looking for a cure or potential cure. It is now here. It is now at Bermuda College. It is now at the Bermuda Hospitals Board.

So when you think about what is termed *vaccine hesitancy*, people have to think not just for themselves. They have to think about their fellow Bermudians who work in the hospitality industry, their fellow Bermudians who rent apartments to those in the hospitality industry, those with children of those who work in the hospitality-related industries. Because taking a vaccine is not just simply about what is going in your arm. It is about what is going to happen to our community.

So while we debate different things about health care and promise-me-this and . . . all of that is academic if our economy crashes.

Mr. Speaker, we are debating a budget in which we see a deficit of \$121 million. This is unsustainable. Had it not been for COVID-19, we probably would have been seeing a surplus of . . . maybe even if it was one dollar, the fact is we would see a surplus. But because of COVID-19 we are in a deficit. And we cannot go any more with deficits, Mr. Speaker.

So in closing, Mr. Speaker, I say to people, take your mind back to a year ago when the whole world was starting to shut down, when you could not go out to shop, when you could not go out to work. And ask yourselves, when you said, *How do we get out of this?*, the answer is now, Mr. Speaker.

And with that, I want to take a moment to thank the staff of the Ministry of Health for the work that they did last year; the staff at the DCI [Department of Communication and Information] for keeping the people informed, and all of those volunteers, the Bermuda Regiment and those who are volunteering at the vaccinations spots, because you are on the front-line now helping to get ourselves back into some sense of normalcy. And thank you to the Minister of Health. She takes a lot of flak from people who are very (how can I say?) suspect of her work. She is doing what she has to do for our country.

So with that, Mr. Speaker, I say good night and happy Sabbath.

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

Does any other Honourable Member wish to make a contribution at this time?

**Mr. Dennis Lister III:** Yes, Mr. Speaker.

**The Speaker:** It sounds like the Member from constituency 28.

**Mr. Dennis Lister III:** Yes, it is, Mr. Speaker.

**The Speaker:** Honourable Member.

Premier, you said you only had one speaker tonight. Using the floor and sneaking in, eh?

*[Laughter]*

**Hon. E. David Burt:** You are closer to the Honourable Member from constituency 28 than I am, I assure you.

*[Laughter]*

**Mr. Dennis Lister III:** Good evening, everyone.

**The Speaker:** Honourable Member, you have 20 minutes.

### **EXPUNGEMENT OF CONVICTIONS ACT 2020 (IMPLEMENTING ONLINE APPLICATION)**

**Mr. Dennis Lister III:** All right. I will not be that long, Mr. Speaker. I just have a few short, brief comments tonight, Mr. Speaker. And again good evening to my fellow colleagues and to the listening public.

Earlier today, Mr. Speaker, we heard a statement from the Attorney General, the Minister for Legal Affairs in which—after yesterday during which the official gazetting of the Expungement [of Convictions] Act 2020 came into effect—she read a Statement today. And, Mr. Speaker, I sit here tonight proud to be a part of this PLP team where in our platform we spoke of bringing legislation for expungement of small amounts of cannabis. And we opted and followed on that, Mr. Speaker. So I want to say: Promise made, promise kept.

And, Mr. Speaker, as a young person, for me it has a personal connection because I know of friends, other young persons in my age group and even younger and some older, who this has affected personally. In a way, for whatever reason they are caught, and now they cannot go away to finish school or cannot go away to better themselves, whether it is to train or rise for a job or whatever, Mr. Speaker. To see this being done, and how it would have a positive effect on our own Bermuda, especially young Bermudians, young Black males also especially, Mr. Speaker.

So again I said I sit here proud of this. This is just one part of a more holistic approach as I stated, the first in the decriminalisation of the seven grams. Then it is the expungement. And we are seeking a further step here, Mr. Speaker. But again, this is only one part of it.

And, Mr. Speaker, just even myself, you know, you have persons who are much older, that 40 years ago they were caught and they live with that stain on their record for their whole life, you know. Imagine being a 60-, 65-, 70-year old man and you know that you cannot look forward to going away on a family vacation with your children or grandchildren. You have lived with this stain on your record for decades. Now we are giving them a chance. But those who do qualify [for expungement] for small amounts under

seven grams, they have a chance to apply and have that stain taken off of their record, Mr. Speaker.

So it might be later on in a person's life. Or it might be a person who is still young. You know, they can look forward to having a clean record and being able to advance in life and improve on their situation where they are, Mr. Speaker. So again, I am just positive about this team. And we have made this promise. Promise kept. And so, Mr. Speaker, those are my brief comments.

And before I close, Mr. Speaker, the next part is that to make sure we have to get the message out there to persons who are affected by this. We do not want it to happen and people not know, or not know how to take advantage of it. Earlier today the Attorney General did mention where you can go to sign up, to sign a form to apply for this. So I encourage those who are listening, if it is affecting you or you are listening and you know someone, to spread the word. Get it out there. You know, I implore the Minister and the other Ministers whom this would come under to have a PR campaign so that people know about this and know where to go. So that it can be effective, Mr. Speaker.

So then, those are my brief comments. Thank you for the opportunity, Mr. Speaker, and good evening to everyone out there.

Thank you.

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

Does any other Member wish to make a contribution at this time?

Mr. Premier.

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

**The Speaker:** Premier, you have your 20 minutes unless you divided it up with the last speaker.

*[Laughter]*

**The Speaker:** He took 16 minutes. I guess you have four left. How is that?

No, you have your 20 minutes.

### **THE DANGER OF COVID-19 VACCINATION HESITANCY**

**Hon. E. David Burt:** I assure you, Mr. Speaker, that I will not speak for 20 minutes this evening.

Mr. Speaker, I would like to certainly echo the sentiments of the Honourable Member who just finished speaking. And certainly as we talk about promises made, promises kept, this is the mantra of this Government. And we lay out our pledges, and we do our best to execute on our pledges.

And we recognise that without question it is not easy. But we have to keep faith with the people who voted for us and put us here. And I think that

there is a certain lack of faith that certain members of the electorate may have because they do not feel that politicians respect their wishes and keep their promises. The one thing that I want this Government to be known for is keeping the promises of which it lays out.

Mr. Speaker, one year ago yesterday the World Health Organization declared a global pandemic. The declaration of a global pandemic from the World Health Organization is something that we all know and something that we have all lived with. It has been a year, and this virus has weighed on our heads. It has weighed on our lives. It has weighed on our hearts. It has affected people's physical health. It has affected our mental health. This year has weighed on all of us in so many different ways. Whether it be students, teachers, pastors, families, frontline workers, health care workers, no one has been spared the effects of what this virus has done and how it has fundamentally changed the way in which we have lived.

We have lost 12 people in this country, Mr. Speaker, and millions around the world have died. We have cried and commiserated with our friends. We have cried and commiserated with our families. We have all heard the stories and know of the relatives who have lost lives. And we have all been shocked. We have attended the funerals, Mr. Speaker. We have [made] the phone calls, and we have been there in shock. And you know the kind of whispers, because it is real and we do not want to talk about it, Mr. Speaker.

This virus is real. And the truth is, Mr. Speaker, that this virus is still with us in this Island. And though we will tout the good management of this virus, [we are in the] top five in the world when it comes to testing, top 10 in the world when it comes to pace of vaccinations. Mr. Speaker, the virus is still with us. And it is still a threat to our livelihoods.

Today's results, which were released earlier by the Minister of Health, show that there are now five cases under investigation. It is ominous, because the last time that number was that high, Mr. Speaker, was in November. Now, I have made the comments and statement that this Government will not hesitate to make the difficult choices to ensure that we keep our schools open and to keep our children in school because I think that is the overriding principle of what we must make sure to maintain. Because the last thing we want is for our students to be disrupted yet again. And next week, Mr. Speaker, there will inevitably be a need to recalibrate what it is that we are doing.

But, Mr. Speaker, I am not stupid. You, Mr. Speaker, certainly are not stupid. Honourable Members of this Honourable House are not stupid. And the Bermudian public are not stupid either. I know full well that just like I have coronavirus fatigue, everyone has coronavirus fatigue. The people whom we represent in this Honourable House, Mr. Speaker, have coronavirus fatigue. The persons who are not able to continue working, the persons whose hours have been

slashed, the taxi drivers who are unable to earn the livings of which they were once able to earn, all of those persons have coronavirus fatigue. The businesses that have closed have coronavirus fatigue, Mr. Speaker.

And the hospitality workers, Mr. Speaker, the ones who are not able to service and get ready and look forward to a cruise ship season, the ones at our hotels which have closed down, which have not been able to be financed and reopened because of the uncertain nature of the situation which we are in—they all have fatigue, Mr. Speaker.

As a country, we made a choice. And the choice that we made, Mr. Speaker, was to support our hospitality sector. Everything which we do in leadership is about risk and reward, about risk mitigation, about balancing the effects. And oftentimes it is about making the less-bad decision out of two very bad options. But we made the choice to support our hotel workers, Mr. Speaker, and I am not sorry for that. And therefore, our borders are open, though they are restricted.

The Honourable Member who first spoke on the motion to adjourn, Mr. Speaker, spoke about the challenges of vaccinations and the challenges of where we find ourselves currently. Here are the facts: The coronavirus, just like any other RNA virus, can mutate and can mutate quickly. The entire world is in a race against mutations and in a race to vaccinate. And as much vaccine hesitancy that exists inside of Bermuda . . . and let us be real, inside of the Black community. I went to visit one of my constituents a couple of weekends ago. And there were some people there, and all of them were like, *No, no, no. We're not getting a vaccine.* Here is the truth, Mr. Speaker. Vaccinations are the only way out of this situation and for this country unless we want every single hotel in this country to be closed and for there to be the hotel workers out of work. Those, Mr. Speaker, are the facts. There is no way in beating around that reality, Mr. Speaker. And everyone knows someone who works in hospitality. And I, as the Minister responsible for Tourism, know many people who work in hospitality.

We, Mr. Speaker, are in a very fortunate place. The Honourable Member spoke about the fact that we have vaccines and we are able to boast the high numbers, even though today the *Royal Gazette* got the front-page cover [story] wrong, which is not unusual. It is 27 per cent of our population have been vaccinated and 16 per cent with two doses fully immunised. And the total amount of doses that may be issued may get us to that figure of 40 per cent of the population when you compare it to the number of doses, Mr. Speaker.

But we are in a very fortunate situation in this country due to the commitment of the United Kingdom who said that they will supply the vaccines of which they have ordered for their country to their Overseas

Territories in the same proportion of which they have them. Overseas Territories have had 100,000 doses that have been confirmed to arrive in their country before the end of April. Mr. Speaker, we will be in the exact same position because the commitment that the UK has made to all of their Overseas Territories is the same.

The only way out of this, Mr. Speaker, is vaccination. So the question is whether or not we actually want to return to normal, or whether or not we want to fight amongst each other. Mr. Speaker, I take no pleasure in attempting to say that I am trying to force vaccinations on anyone, because I am not. But what I am saying is that we have an aggressive virus. We have an aggressive strain on our shores. And we need to make sure that we protect the vulnerable in this country.

I am pleased that the Minister of Health has opened up walk-in vaccinations for those who are 65 and older (50 and over, actually). Broadening access, ensuring that technology is not a barrier, now is the time for all of us to decide whether or not we want to risk the lives of our senior citizens to an aggressive virus that has seen so many people die. This Government and this House cannot keep this country in a public health emergency forever. And it is up to us as leaders to ensure that we speak truth to our people and lay the facts out as they are, Mr. Speaker.

It is my hope that we all recognise and every single one of us in this Honourable House shares what we know, encourages persons to go speak to their doctors and recognise that the only way out of this pandemic as an Island without sacrificing our entire tourism industry is the path of vaccination. There will only be, Mr. Speaker, by the end of April a handful of countries that can say that they can offer vaccines to every single person in the country who wants them, Mr. Speaker. Bermuda will be one of them. We will have the opportunity to have a normal summer, and we will have the opportunity to thrive. But it is up to all of us, Mr. Speaker, if we want to go ahead and seize that.

So I thank all of the workers for last year who I know are tired and fatigued. And I ask that every single person who is listening, the media who will report and all of those of us who have leadership in this country, to make sure we understand the choices in front of us. We do not want to continue living like this. And we have options that very few countries have, Mr. Speaker. And I urge us to ensure that we take advantage.

Because the sacrifice, the countless hours, the money that has been spent cannot be in vain. We now are on the cusp of going forward, and I urge Honourable Members to remind their friends, their families, their colleagues and their constituents to abide by the regulations to ensure that they are careful. And when you have the opportunity, have that conversation with your doctor. Do your research. And

be a part of the solution that will enable us to, as I say, Mr. Speaker, (and I close) enjoy the celebration of that red and blue flag in the back of you at the end of July!

It is the only way, Mr. Speaker, that we will be able to enjoy our regular traditions. If not, we will find ourselves in a cycle that is not going to end.

Those are the facts, Mr. Speaker, and I sincerely hope that every single member will remember the last year and resolve that they do not want the next year to be like the last year which we have had.

Thank you, Mr. Speaker.

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

And on that note, Members, today's session comes to a close. Have yourselves a good weekend. Get some rest. And we will see you bright and early on Monday morning at 10:00 am.

The House now stands adjourned.

*[Gavel]*

*[At 10:20 pm, the House stood adjourned until 10:00 am, Monday, 15 March 2021.]*