



Government of Bermuda

Ministry of Community, Culture and Sports

House of Assembly

BUDGET BRIEF 2014 - 2015

Heads 71, 52, 23, 20 and 55

**Friday March 14th 2014
(10:00 am – 4:00 pm)**

Presented by

***The Hon. R. Wayne Scott, JP MP
Minister of Community, Culture and Sports***

Mr. Chairman, the **vision** of the Ministry of Community, Culture and Sports is simple - to strengthen the social fabric of our community. Our **mission** is to provide service to the community by preserving our heritage, empowering our people, and developing and protecting our youth and families. In doing so, we project the following **core values**: Integrity; Commitment to excellence and service; Accountability; Respect; and Empowerment (I CARE for short).

Mr. Chairman, the Ministry is currently comprised of the following eight (8) Heads: Head 18, Libraries; Head 19, Archives; Head 20, Youth, Sport and Recreation; Head 23, Child and Family Services; Head 52, Community and Cultural Affairs; Head 55, Financial Assistance; Head 56, Human Affairs; and Head 71, Ministry Headquarters. Head 42, Rent Commissioner and Head 53, Bermuda Housing Corporation have been moved to other Ministries; whilst Head 18, Libraries and Head 19, Archives have been added to the Ministry portfolio.

Mr. Chairman, the 2014/15 fiscal year current account budget estimate for the Ministry of Community, Culture and Sports can be found on pages B-242 to B-283 and pages C-20 to C21 of the “Approved Estimates of Revenue and Expenditure for the Year 2014/15”. As shown on page B-242, the Ministry’s total budget estimate for fiscal year 2014/15 is eighty-six million, three hundred and forty-seven thousand dollars (\$86,347,000). This represents an overall increase of approximately four million, eight hundred and eighty thousand dollars (\$4.88M) or 6% compared with the original estimate of eighty-one million, four hundred and sixty thousand dollars (\$81.46M) for fiscal year 2013/14 (Page B-242 of the Estimates Book), when the changes in the Ministry portfolios I mentioned a minute ago are taken into account.

Mr. Chairman, the breakdown of the Ministry’s current account budget estimate for 2014/15 by Head (as shown on page B-242) is as follows:

HEAD	Department	2014/15 Estimate (\$)	%
18	Libraries	2,127,000	(6)
19	Archives	1,412,000	(9)
20	Youth, Sport and Recreation	10,745,000	(8)

23	Child and Family Services	16,980,000	(6)
52	Community and Cultural Affairs	3,411,000	(9)
55	Financial Assistance	46,948,000	19
56	Human Affairs	2,122,000	(6)
71	Ministry Headquarters	2,602,000	10
	Ministry Total	86,347,000	6

Mr. Chairman, the largest increase in budgetary allocation is for Head 55, Financial Assistance, which shows an increase of 19% over the original budget allocation in 2013/14. I will discuss further details of this budgetary item later in my presentation.

Mr. Chairman, the sequence in which I intend to cover the Heads which have been slated for debate is as follows: Head 71, Head 52, Head 23, Head 20 and Head 55.

Mr. Chairman, I will now present budgetary information for Head 71, the Ministry Headquarters, including the Mirrors Programme.

Head 71 - Ministry Headquarters

Mr. Chairman, the FY 2014/15 estimates of expenditure and revenue for Head 71 - the Ministry Headquarters - can be found on pages B-243 to B-246 of the Estimates Book. Ministry Headquarters is responsible for the budget of two (2) areas, Administration, consisting of mainly salaries and administration costs and the Mirrors Programme.

Mr. Chairman, the Ministry's overall mission is to strengthen the social fabric of Bermuda through policies and programmes that support, empower and protect people and communities.

Mr. Chairman, page B-243 shows that the total budget allocation for the Ministry Headquarters for FY 2014/15 is two million six hundred and two thousand dollars (\$2.602M). This represents a net increase of 10% or two hundred and forty-six thousand dollars (\$246K) over the original FY 2013/14 budget of two million three hundred and fifty-six thousand dollars (\$2.356M).

Mr. Chairman, the stated net increase is due a combination of factors. First, the responsibility for funding the Lorraine Rest Home (managed by the Warwick Parish Council) has been transferred from the Ministry of Home Affairs to the Ministry of Community, Culture and Sports. Page C-20 of the Estimates Book indicates that six hundred and twenty-one thousand dollars (\$621K) is allocated to Object Code 6918 Parish Council Commitments within the Ministry of Community, Culture and Sports Headquarters. Since Ministry Headquarters grant funding under Object Codes 6869 and 6882 has been reduced by \$45K (in total), the net increase for grants and contributions in FY 2014/15, as shown in the subjective analysis on page B-244, is five hundred and seventy-six thousand dollars (\$576K).

Second, **Mr. Chairman**, the Mirrors Programme has had its budget allocation reduced by two hundred and ninety-one thousand dollars (\$291K).

Mr. Chairman, the subjective analysis by object code on page B-244 shows that the allocation for salaries in Ministry Headquarters has been decreased by one hundred and five thousand dollars (\$105K). This is due to mandated furlough days and also because the Mirrors Programme has experienced a decrease in staffing from 10 to 8. Elsewhere, the Ministry Headquarters

budget has been trimmed by reducing funding for training (by \$102K) and for professional services (by \$119K) in an effort to contain costs (page B-244).

Mr. Chairman, although it was previously unfilled and unfunded for 2 years, the post of policy analyst in the Ministry Headquarters was filled during 2013/14 and explains why the full-time equivalent (FTE) count stands at 10 rather than 9 as it was last year (page B-244).

Cost Centre 81020 - the Mirrors Programme

Mr. Chairman, the Mirrors Programme has developed into a positive force for youth development and community leadership. The Mirrors Programme increases human capital at the societal level by providing alternative programming through transformation training and coaching for youth and adults with the goal of producing positive life outcomes for youth in education, employment and the criminal justice area. Mirrors has worked with 686 youth and over 2000 adults since 2007.

Mr. Chairman, the budget allocation for the Mirrors programme for FY 2014/15 is nine hundred and seventy-two thousand dollars (\$972K), which represents a decrease of \$291K (see page B-243) from the previous year. This allocation will allow Mirrors to hold one intensive residential cycle for the 15 to 18 year old participants (Community Programme), 1 middle school programme (Coaching for Success programme) and 4 personal development trainings, and requires community funding support to execute the residential intensive programme and associated trainings to support the 2014/15 level of programming. This is in line with the ultimate goal of having the Mirrors Programme become 100% independent and separate from Government.

Mr. Chairman, the Mirrors Programme has experienced a decrease in staffing from 10 to 8 (see page B-244) and have also lost the summer students hired to support reduced staffing levels in 2013/14. In order to effectively run the transformation programmes and to reduce staff burn out, Mirrors has developed a volunteer enrollment strategy to support the void in staffing. Eight (8) community volunteers completed approximately 54 hours of training with a commitment to provide 5 hours per week to support the staffing void. This equates to approximately one (1) full-time equivalent staff provided by volunteers over the course of the year. Additionally, with

community funding Mirrors will be able to utilize a part-time volunteer manager position and administration support to enroll and manage the volunteer workload. The team has reorganized duties to support the reduced staffing.

Mr. Chairman, Mirrors has been creative in using community resources and in kind services from vendors to support programming in the current budget year. This will continue in 2014/15 and will help to compensate for reduced funding allocations. Mirrors has enlisted 3 volunteers to support fund development in partnership with the charity, Mirrors Alumni and Friends Association. This partnership has recently launched the “Taking a Stand for Youth” campaign designed to generate funding and volunteers to support Mirrors programming in 2014/15.

Mr. Chairman, the subjective analysis of estimates for Head 71 shown on page B-244 indicates that the allocation for professional services has been reduced by \$119K in 2014/15. For the Mirrors programme this corresponds to a reduction in the funding allocation for Uncommon Results, the overseas consultant, from \$270K to \$203K. Uncommon Results has demonstrated a valuable partnership with Mirrors over the past 8 years and provided the training of local staff members in components of the work. The challenges of training staff are evident as one staff member left the organization after being trained and the second trained staff will be on maternity during the 2014/15 cycle of programming. Although it is important for the Mirrors team to develop in the transformation technology, the level of intensity required to execute training creates challenges for sustaining programming at the same time.

Mr. Chairman, output measures for the Mirrors Programme are outlined on pages B-245 and B-246. One personal transformation intensive intervention with associated trainings was held for 19 youth aged 15 – 18 years. These youth are currently in the follow-through phase for the next 6 months to prevent future problem behaviors, specifically academic failure, offending, and lack of employability skills, substance abuse and violence. Additionally, two middle school Coaching for Success programmes covering 55 students and one parent workshop for 33 parents were delivered.

Mr. Chairman, the Mirrors Alumni and Friends Association received charity status in 2013 and this has positioned it to support fund development for Mirrors future programming and create networks to support participants post programming.

Mr. Chairman, the community continues to communicate their appreciation to the Mirrors Programme as they have witnessed young adults' individual growth and development after participating in Mirrors. The majority of programme evaluations for youth and adults suggest very good satisfaction with the content and experience of the programme.

Mr. Chairman, I would like to take this opportunity to sincerely thank the volunteers, corporate Bermuda and everyone on the Mirrors team for their commitment to the development of Bermuda's youth. Please join me to congratulate the Mirrors team for making this a breakthrough year for our community and the organization.

Mr. Chairman, with respect to Capital Acquisitions, as shown on page C-14 of the Estimates Book, the Ministry Headquarters has been allocated \$400,000 in 2014/15 to begin the process of establishing a Human Services Software System to integrate social services data across the Ministry and also from other human services organizations. Currently, much of the information on clients is stored at the programme or department level within separate agencies, and is therefore not ordinarily accessible across the entire Ministry, nor is available to other government agencies unless a concerted effort is made to share relevant information. Clients are often common to two or more agencies, leading to the potential for duplicate or redundant information, and inefficiencies which may limit the best overall outcome for affected clients. Increasingly, we are witnessing greater unemployment or underemployment and this increases the demand for financial assistance. In turn, this places immense pressure on the entire family resulting in an increase in negative domestic situations, especially when children are involved.

Mr. Chairman, the proposed Human Services Software System will start the process of centralizing data collection and management and thus increase efficiency by:

- a) managing the data integrity of the information stored;
- b) bringing together relevant information for decision-making purposes; and
- c) coordinating social programmes across Government to achieve desired outcomes.

Mr. Chairman, although the funds for the software system are allocated to Head 71, it is intended to take a modular approach to implementation, with emphasis being placed first on

improving data management and decision-making in the Department of Child and Family Services.

Mr. Chairman, this concludes my 2014/15 budget presentation of Head 71 – the Ministry Headquarters.

HEAD 52 - Community and Cultural Affairs

Mr. Chairman, I will now present the Estimates of Revenue and Expenditure for Head 52 - the Department of Community and Cultural Affairs for FY 2014/15 which are found on pages B-269 through B-275 of the Estimates Book.

Mr. Chairman, the Department's mission is to educate the community and foster a greater sense of identity through an appreciation of Bermuda's culture and heritage.

Mr. Chairman, the Department's objectives are as follows:

- To provide grants that encourage the arts and heritage;
- To promote an understanding of Bermuda's cultural identity through education, research, publications and enrichment programmes;
- To stimulate the development of the arts; and
- To educate the community through personal and professional courses that promotes life-long learning through the Community Education and Development Programme.

Mr. Chairman, I will now go through the individual cost centres under Head 52, as noted on page B-270 of the Estimates Book.

Cost Centre 62000 - Grants to Organizations

Mr. Chairman, the Department is responsible for promoting, preserving, and celebrating Bermuda's rich cultural heritage and the arts. It achieves this goal in part by partnering with private sector organizations through funding. Organizations that will receive financial support in the upcoming fiscal year are:

- Bermuda Historical Society
- St. George's Historical Society
- St. George's Preservation Authority

- Bermuda Arts Council
- Bermuda National Gallery
- Bermuda Heritage Association
- Cultural Legacy Fund recipients

The total amount budgeted under this cost centre for 2014/15 is \$223,000. This is a decrease of \$88,000 compared with the original budget for 2013/14, and \$50,000 less than the revised budget for 2013/14. This decrease is due to the removal of \$50,000 in funding for the Bermuda National Trust, which has historically received funding from multiple Ministries within Government.

Cost Centre 62001 – Administration

Mr. Chairman, the objectives of this Cost Centre are to provide for the administration and operation of Community and Cultural Affairs units located on the 4th floor of the Dame Lois Browne Evans Building – Culture and Folklife programmes. This estimate sustains both units' operations, including salaries and wages, professional development, communications, programming, printing and materials and supplies. This Cost Centre also provides funding for a television programme on Bermuda's parishes. The remainder of the budget provides for office supplies, photocopier maintenance, books and periodicals, subscriptions and telephone services.

The total amount budgeted for 2014/15 is \$985,000, reflecting a net increase of \$80,000 compared to 2013/14. This net increase is due to a reduction of \$30,000, enabling the Department to produce 2 films instead of 3 on Bermuda's parishes; and an increase of \$112,000 due to the transfer of one employee from the former Department of Tourism to the Department of Community and Cultural Affairs.

Cost Centre 62010 - Cultural Festivals and Celebrations

Mr. Chairman, this Cost Centre covers the cost of promoting the culture and heritage of the island and its people through festivals and other programmes and events. This objective is realized through a number of programmes and initiatives including the Emancipation Commemoration and the Gombey Festival. The total amount budgeted for 2014/15 for this Cost Centre is \$135,000. This is a decrease of \$21,000 compared to 2013/14.

Emancipation

One of the main ceremonies that the Department organizes annually is the Emancipation Commemoration. In 2013 the Department continued to focus on the theme *“The Trail of our People: the Social Dynamics of Self-reliance”*. Through this dramatic commemorative ceremony the Department highlighted local heroes of the past who had made significant direct contributions to their community of Pembroke; and indirectly contributed to the greater good of the entire society. Persons who embodied such traits as selflessness, self-reliance and resilience against great odds and hardships were saluted during a beautiful ceremony that took place in the outer court yard of the new Berkeley Institute.

Mr. Chairman, the funds allotted for 2014/15 will be used for a similar programme which will feature families of the parishes of Hamilton and Southampton who have made lasting and meaningful contributions to their communities.

Gombey Festival

The Gombey Festival is held annually to provide exposure to the folk art and traditions of an important Bermudian icon. The Gombey Festival has been held at the W. E. R. Joell Tennis Stadium for two consecutive years, resulting in a successful partnership with the Department of Youth, Sport and Recreation. The Department of Community and Cultural Affairs is able to save on expenses in rental fees, the installation of bleachers and barricades and the general clean-up at the conclusion of the festival by using the W.E.R. Joell Tennis Stadium. The 2014 Gombey Festival will again be held at the Tennis Stadium as it is fiscally prudent to do.

Mr. Chairman, this year’s funding allocation will finance the cost of invited folk groups, advertising, tenting, financial awards to participating Gombey troupes and the chosen honoree of the day. The reduced funding level in 2014/15 will impact the type of external folk groups that can be invited to participate in the 2014 Gombey Festival.

Cost Centre 62020 - Heritage Celebrations

Mr. Chairman, this Cost Centre covers the cost of celebrations for both Heritage Month and the Bermuda Day Parade. Heritage Month Celebrations which culminate in the Bermuda Day Parade is designed in accordance with our Mission Statement “to promote a sense of community understanding and pride amongst the peoples of Bermuda”. The theme for Heritage Month 2014 is: “*Celebrating Bermuda’s Historical Treasures.*”

Mr. Chairman, the total amount budgeted for this cost centre in 2014/15 is \$349,000. This is a decrease of \$34,000 compared to 2013/14. Cost savings were made in object code 5270 pertaining to local contractors. Stringent measures were exercised in the Bermuda Day Parade 2013, with the reduction of the number of Parade Marshals employed to manage the smooth movement of the parade. Extreme care will be taken this year to monitor expenses and make further adjustments to the number of parade marshals and security needed as well as the number of boxes of dried flowers ordered for float-making; these dried flowers are provided to members of the public (at no cost) to encourage participation.

Cost Centre 62030 - Cultural Education

Mr. Chairman, the Department of Community and Cultural Affairs is responsible for creating materials that contribute to the preservation of Bermuda’s heritage and to the development of Bermuda’s literary arts. 2013 saw the publication of *Bermuda Folk Remedies* by Dr. Kuni Frith-Black, a book that broke records for demand of a local publication, necessitating a reprint after all copies were sold within a month following the launch.

This upcoming budget year, the Department will focus on producing two books. *Take This Journey with Me* is a Bermuda anthology of memoir and creative nonfiction, edited by former Writer-in-Residence and award-winning author Rachel Manley, and will be launched during Heritage Month. Rachel Manley (daughter of former Jamaican Prime Minister Michael Manley) is a celebrated author of a non-fiction trilogy about Jamaica. Rachel’s first memoir, *Drumblair: Memories of a Jamaican Childhood*, published in 1996, won the Canadian Governor General’s Award for non-fiction.

Mr. Chairman, the second book, written by Shirley Pearman MBE, is entitled *Hands On! The Art of Traditional Crafts and Play in Bermuda* and will be launched prior to Christmas. Shirley

Pearman was the first Bermudian to obtain a Master's Degree in Art Education, and her service as a teacher and art specialist has been widely recognised with a host of honours, including the MBE in 2012. Mrs. Pearman represented Bermuda in the Smithsonian Folklife Festival in Washington, DC in 2001 in the Arts of Play arena, an experience which provided a foundation for the forthcoming publication.

Work will also continue on the development of study guides to complement the Bermuda Folklife Documentary Series for use in the school system.

There is no change in the budget allocation for this Cost Centre, which stands at \$117,000.

Cost Centre 62050 - National Heroes Day

The funds associated with this Cost Centre are normally used to honour and commemorate a National Hero through meaningful and significant activities that pay respect to that person or persons and inform the general public. The total amount budgeted for 2014/15 is \$10,000. This is a decrease of \$14,000 compared with 2013/14. It is not planned to name any new national Heroes or host any festivities during 2014/15. Instead, plans call for continued advertising to remind the public of our current National Heroes.

Cost Centre 62060 - Promotion of the Arts

Mr. Chairman, Funds for this Cost Centre are used to stimulate and foster the development of the arts and to organize and implement the Writer in Residence programme – a workshop that includes a public reading by an invited Writer. The total amount budgeted for this Cost Centre for 2014/15 is \$45,000. This is a decrease of \$3,000 compared with 2013/14.

Premier's Concert

One means by which this Department promotes the visual and performing arts is through the annual Premier's Concert. In November 2013 the Department hosted the twenty-ninth Annual Premier's Concert to a packed audience at the Ruth Seaton James Centre for the Performing Arts. In addition to the brilliant performances of thirty-six participants, the audience was treated

to a trumpet solo by a past Premier's Concert participant – Matthew Ross - who is studying music at the post-secondary level to become a professional musician. All of the participants in this year's concert were simply outstanding; with a few – such as Jude Richardson and Malik Alick - receiving standing ovations.

Cost Centre 62070 - Folklife Programme

Mr. Chairman, in 2013/14 \$209,000 was budgeted for this Cost Centre. The estimated budget for 2014/15 is \$179,000, reflecting a decrease of \$30,000. Areas of reduction include advertising, and overseas and local consultants. Because of this decrease, we will create one less documentary this year.

Historical Heartbeats

Mr. Chairman, the Historical Heartbeats Lecture Series, now entering its eleventh year, is a programme that highlights various aspects of Bermudian history and culture and aims for a monthly presentation that is both entertaining as well as educational. The new season featuring 8 events and 4 film nights begins March 2014 and includes tours of St. David's and St. George's sites, lectures on war veterans, shipwrecks and whales, as well as a culinary festival during Heritage Month.

Bermuda Folklife Documentary Series

Mr. Chairman, the Bermuda Folklife Documentary Series is a collection of full-length feature films highlighting the traditions and tradition-bearers of Bermuda. These documentaries have been made available to the public with a heavy rotation on CITV, with copies sent to all public and private schools. The Department is looking to launch three new documentaries in the series during the 2014/15 budget year: a film on Seagull Racing in Bermuda, a film on legendary fisherman Llewellyn Hollis, and a film focusing on boat building in Bermuda, with special emphasis on traditional small crafts.

Folklife Apprenticeship Programme

Mr. Chairman, the Department of Community and Cultural Affairs is entering the sixth year of the Folklife Apprenticeship Programme, focusing on the transmission of knowledge and skills from one generation to the next. Six tradition-bearers, in various arts, have been selected for inclusion in the programme to work one-on-one with a single apprentice for an average of eighty hours. There will be an awards luncheon in August where tradition-bearers and apprentices who participated in the programme will share presentations about their experiences. A short film is currently being produced showing highlights of the apprenticeship experience.

Digital Archive

Mr. Chairman, the Cultural Affairs Digital Archive continues to expand through the transcription and digital conversion of interviews collected through the Folklife Documentary Series. Transcripts from 11 interviews, totaling more than one hundred pages, were added to the collection this year. It is anticipated that an additional 10 new interviews will be added this year. This year will also focus on the digitizing of cassettes from the Smithsonian Folklife collection.

Cost Centre 62100 - Bermuda Rendezvous Activities

Mr. Chairman, this Cost Centre provides opportunities for both visitors and locals to discover and enjoy various aspects of our island's culture, arts and entertainment. Activities are as varied as a walking tour; a lecture series; a high tea; cooking, craft-making or glassblowing demonstration and performances by our most popular Gombey troupes and the Bermuda Pipe Band and are offered complimentary for Bermuda's winter visitors. This programme runs from November to March of each year and has become quite popular with our visitors and participating local hosts.

Funds allocated in this cost centre are used to pay vendors who host the listed talks, tours and demonstrations as well as to cover the cost of advertising, rental fees for tents, sound systems and sites. The success of this programme is highlighted with the many letters of appreciation received by both the Department of Tourism and the Department of Community and Cultural Affairs as visitors praise the host presenters and express appreciation for the many wonderful complimentary events which enhanced their vacation periods in Bermuda.

The total amount budgeted for this Cost Centre for 2014/15 is \$214,000, a decrease of \$21,000.

Cost Centre 62130 - Seniors Activities

Mr. Chairman, the Department is responsible for organizing a number of programmes and activities for our able-bodied seniors. One annual highlight is Seniors' Week which includes an Awards' Ceremony during which nominated seniors are honoured for the significant contributions that they have made. The funds associated with this Cost Centre will also cover operating costs for the Seniors cruise held in August and the Seniors seminars held monthly. The total amount budgeted for 2014/15 is \$151,000, resulting in a reduction in the areas of contractors and food supplies.

Cost Centre 62140 - Community Outreach

Mr. Chairman, this cost centre covers the operation of the Summer Internship Programme, which provides work-shadow opportunities and practical experience to Senior School Students ages 15 – 18, through a diverse range of coordinated partnerships with the public and private sector. The original allocation of \$40,000 was reduced slightly to \$38,000 for 2014/15.

Cost Centre 62150 - Community Education Courses

Mr. Chairman, this cost centre provides a diverse range of educational, recreational, social, cultural, personal and professional development courses to Bermudian residents. Courses and programme activities are designed to promote and foster a healthy quality of life and well-being of residents. The three demographic target groups are: youth ages 5-18, adults ages 19 – 64 and seniors sixty-five and up. This cost centre records a budget of \$254,000 for the 2014/15 fiscal year, and will result in the printing of fewer brochures, and the hiring of fewer instructors.

Cost Centre 62160 - Community Education Administration

Mr. Chairman, funds allocated under this cost centre cover the overall programme administration and operation for the Community Education and Development Programme. It covers the planning, coordination and implementation of a variety of over 200 educational, social, recreational, cultural, personal and professional development courses annually. Provision

of these course offerings and activities benefit the social and economic development of Bermudian residents.

This cost centre also covers the shared administration of activities and functions of the Bermuda Community Education Advisory Council in the delivery of activities, special events, projects, new initiatives and programmes that benefit individuals, families, and community neighborhoods.

Mr. Chairman, the budgetary allocation for this cost centre was decreased from \$771,000 to \$711,000 for 2014/15. This decrease is a result of the furlough deductions, rental reductions and fewer contractors.

Mr. Chairman, the subjective analysis of current account estimates shown on page B-271 summarizes the main areas for Head 52 across cost centres. The main areas of reduction are for advertising and promotion, professional services, rentals, materials and supplies, and grants and contributions.

Mr. Chairman, it is anticipated that the current trend will continue, with less persons registering to take courses in 2014/15. Thus the expected revenue is likely to drop by some 45% (page B-271).

Mr. Chairman, the output measures for Head 52 are shown on pages B-273 to B-275 of the Estimates Book.

This ends my 2014/15 budget presentation of Head 52, the Department of Community and Cultural Affairs.

HEAD 23 - Child and Family Services

Mr. Chairman, I will now discuss the 2014/15 estimates of revenue and expenditure for Head 23, the Department of Child and Family Services, which is covered on pages B-262 to B-268 of the Estimates Book.

Mr. Chairman, The Department of Child and Family Services is responsible for promoting and protecting the best interest of children, adolescents and families in order to enhance their social functioning and quality of life. These services are mandated under the Children Act 1998. The purpose of the Act, to which the Department responds, is "... to protect children from harm, to promote the integrity of the family and to ensure the wellbeing of children." To meet this mandate the Department provides day care services, care and protection services for children, and residential, home based and counseling service for adolescents and families.

Mr. Chairman, the Department of Child and Family Services continues to focus on implementing a comprehensive and integrated system with one entry point for all programmes and services. The goal is to ensure appropriate assessment of referrals to determine the best service response. The identified needs of the child and family are defined in an interagency service plan that engages the children and families throughout the process.

Mr. Chairman, the Department of Child and Family Services is commissioned to provide a seamless service to ensure the safety of children while strengthening the well-being of families. In order to meet this legislated mandate, the Department operates four programmes:

- Programme 2301 – Services to Children and Young Persons
- Programme 2302 - Services to Individuals and Families
- Programme 2303 – Residential Treatment Services
- Programme 2304 – Administration

Mr. Chairman, a total of sixteen million nine hundred and eighty thousand dollars (\$16.98M) have been allocated to Head 23 for FY 2014/15. This represents an overall reduction of one

million one hundred and sixty-eight thousand dollars (\$1.168M) or 6% when compared to the allocation for fiscal year 2013/14.

Mr. Chairman, the Department of Child and Family Services cost centres reflecting a difference from the 2013/14 budget year are discussed by Programme in my comments which follow:

- **Programme 2301- Services to Children/Young Persons**

The small increase of thirteen thousand dollars (\$13K) or 1% to nine hundred and eighty-six thousand dollars (\$986K) is attributed to staff salary increments at the Happy Valley Child Care Centre (Cost Centre 33010; see page B-263).

- **Programme 2302 – Services to individuals and Families**

Services to individuals are delivered via Family Services, Foster Care and Bermuda Youth Counseling Services. The programme as a whole has been reduced by ninety-eight thousand dollars (\$98K) to six million three hundred and fifty-six thousand dollars (\$6.356M), a decrease of 2%. Some of this reduction relates to furlough for salaried staff; but also results from having one post frozen in Cost Centre 33200 Bermuda Youth Counseling Services under the terms and conditions of the Early Retirement Incentive Plan.

- **Programme 2303 – Residential Treatment**

The moderate reduction in this cost centre from nine million two hundred and four thousand dollars (\$9.204M) to eight million and seventy-three thousand dollars (\$8.073M) is reflective of a realignment of staff to provide more effective and efficient service delivery by giving more direct service to the children placed in residential treatment and their parents. This realignment will also reduce the number of children referred out for services, resulting in cost savings. The realignment of staff is designed to provide a more seamless response to children and families that supports successful outcomes. Children and families will no longer be confused about the process within residential treatment, or who the primary worker is, and what support services are available to them.

- **Programme 2304 - Administration**

Mr. Chairman, Cost Centre 33120 Administration provides for the administration and operations of the Department of Child and Family Services. The budgetary allocation for FY 2014/15 is one million one hundred and fifteen thousand dollars (\$1.115M), an increase of ninety-three thousand dollars (\$93K). In an effort to operate more cost effectively, the Department has explored fee for service options and has decreased funding to grant recipients under Cost Centre 33130 by forty-five thousand dollars (\$45K).

With respect to the Expenditure of the Department of Child and Family Services, effort has been made to increase departmental efficiency and to reduce spending. The subjective analysis of estimates on page B-264 of the Estimates Book shows that the primary areas of reduction relate to salaries (due to the furlough agreement) and professional services.

Mr. Chairman, the Happy Valley Child Care Centre is the only section of Child and Family Services that generates revenue. The fees are collected on a sliding scale and are determined by a means test. Revenue is expected to remain the same in 2014/15. It is important to note that the cost per child is higher than the fees currently paid by parents.

Mr. Chairman, the Department of Child and Family Services employed 105 Full-Time Equivalent Staff in 2013/14 for this fiscal year this number has decreased to 104. This reduction is as a result of having one post frozen under the terms and conditions of the Early Retirement Incentive Plan. **Mr. Chairman,** I wish to point out an error in the Estimates Book. Column five (5) on the table referring to employee numbers on page B-265 incorrectly shows the revised 2013/14 FTE for the Department as 88 instead of 105.

Mr. Chairman, the performance measures for Head 23 are found on pages B-266 to B-268 of the Estimates Book. The Department of Child and Family Services continues to meet most of its targeted outcomes in all business units. I wish to note that in Cost Centre 33030 - Foster Care that the forecasted outcome of 10 new foster parents recruited fell short by 4 parents. There has been a challenge in recruiting foster parents, especially those who are equipped to provide a

therapeutic environment for high risk and or special needs children in need of placement. Efforts are ongoing to attract, train and support foster parents to enable them to meet the needs of a more specialized population.

Mr. Chairman, the cost of residential beds per day at Brangman Home (Cost Centre 33070) and Oleander Cottage (Cost Centre 33090) remains stable. However, the outcomes of the current strategic planning may result in changes during the next fiscal year. Residential Treatment Services continues to provide a service that meets international best practice standards; this is confirmed by their recent reaccreditation.

Mr. Chairman, The Psycho-Educational Programme – Cost Centre 33100 – is expected to meet its target of ensuring that 100% of young people transitioning home have an agreed reunification plan and that they receive follow up for a minimum of six months following the completion of the reunification plan. Having a reunification plan and supporting the family during the transition, has resulted in greater long term success. The challenge arises when there is no viable family option and independent living is the only alternative.

Mr. Chairman, I am proud to report that under Cost Centre 33120 -Administration – all sections (100%) within the Department have achieved accreditation for operating at best practice standards as outlined by the Council on Accreditation and The Bermuda National Standards Committee. The Department of Child and Family Services remains the only Government Department to have all of its sections accredited.

Mr. Chairman, I would like to take this opportunity to sincerely thank all of the dedicated staff of the Department of Child and Family Services for the work they do in meeting the many challenges of our children and families as we undertake this social recovery. This ends my presentation on the 2014/15 budgetary allocation for Head 23, the Department of Child and Family Services.

Mr. Chairman, I will now present budgetary information for Head 20, Youth, Sport and Recreation.

HEAD 20 - Youth Sport & Recreation

Mr. Chairman, the FY 2014/15 estimates of expenditure and revenue for the Department of Youth, Sport & Recreation - Head 20 can be found on pages B-255 to B-261 of the Estimates Book.

Mr. Chairman, the mission of the Department of Youth, Sport and Recreation is to advance amateur sport, recreation and youth development for all – from leisure activity to athletic excellence, and to strengthen the significant contribution that these initiatives make towards the enhancement of the quality of life for the total community.

Mr. Chairman, there is a budget allocation of ten million, seven hundred and forty-five thousand dollars (\$10.745M) for the Department of Youth, Sport & Recreation in FY 2014/15 (pages B-256 and B-257) for nine programmes. The estimate of revenue of seven hundred and six thousand dollars (\$706K) is shown on page B-258. The budget allocation shows a decrease of nine hundred and seventeen thousand dollars (\$917K) over the original estimate for 2013/14.

Mr. Chairman, some five million, one hundred and five thousand dollars (\$5.105M) is reserved for salaries and wages for 111 full-time and part-time staff, the total of the first 2 line items of subjective analysis on page B-257. Most of the decreases seen in these programmes reflect mandated furlough days. The remainder of the budget provides funding for existing programmes such as Sports Incentives and Awards, Sports Facilities Management, Youth Development, Community Centres, Camping, School Age Activities and After School Programmes.

Mr. Chairman, the budget for Cost Centre 30045 General Administration is one million, four hundred and fifty-six thousand dollars (\$1.456M). These funds provide for the administration and operations of the Department of Youth, Sport & Recreation's headquarters, which has relocated to the Craig Appin Building on Wesley Street, Hamilton. The Administration Section provides administrative support for the other eight programmes within the Department.

Mr. Chairman, the Department provides for its Sports Development Programme through Cost Centre 30055 Sports Programmes. The budget for Cost Centre 30055 has been reduced by one hundred and forty-two thousand dollars (\$142K) to two and a half million dollars (\$2.5M) (page B-256). This Cost Centre includes sports grants to National Sports Governing Bodies and to the Bermuda Sports Anti-Doping Authority (BSADA), the National Anti-Doping Organization (NADO) for Bermuda. The Bermuda Sports Anti-Doping Authority provides for the coordination, development and implementation of programmes and policies associated with achieving a sporting environment free of performance enhancement and illicit substance abuse, including counselling, research, education, appeals and arbitration. Without BSADA, Bermuda would not be able to participate in any international sporting events abroad or be able to host any international sporting events locally.

Mr. Chairman, 2013 marked the 33rd Anniversary of the Government's Sports Awards and the third year that a male and female junior athlete of the year were selected. Overall, presentations were made to seventeen individuals and one national team. The Department of Youth, Sport and Recreation also hosted the 17th National Junior Sponsorship Awards in 2013. The Department also contributed significantly to the success of two major sporting events, the 2013 NatWest Island Games that hosted approximately one thousand seven hundred (1,700) athletes representing twenty-two (22) countries, and the ITF Junior Tennis Tournament.

Mr. Chairman, I am pleased to note that the Department has made firm steps toward finalizing the National Sports Policy, a 2013 Throne Speech initiative. I intend to place the final version of the Policy before Cabinet for approval early in the first quarter of FY 2014/15 and to table the Policy in this Honourable House shortly thereafter.

Cost Centre 30055 also provides for grants of \$25,000 each for the Departmental Summer Sailing and Swimming programmes. An additional \$59,500 in operating costs is covered under this Cost Centre. A more detailed grant listing can be found on page C-20 of the Estimates Book.

Mr. Chairman, there is no change in the allocation for Cost Centre 30030 Athletic Awards (\$150K) (page B-256). These funds will continue to support encouragement and incentives to our senior and junior athletes to strive for excellence in their personal development. The Elite

Athletes Fund (\$100,000) is managed by the Bermuda Olympic Association who prescribes the requirement for athletes to receive funding having met a local A, B or C standard in their development. Junior athletes are provided assistance through the Junior Athlete Sponsorship Fund (\$50,000) which is provided to one athlete per sport as the most promising up and coming athlete to enable exposure to overseas training, coaching or competition to enhance development.

Mr. Chairman, the Department carries out Sports Facilities Management under five (5) cost centres with allocations as follows:

30060	Sports Facilities	\$1,042,000
30075	Softball Stadium	\$138,000
30080	Tennis Stadium	\$315,000
30090	Motor Sport Park	\$69,000
30390	Sports Community Fields	\$82,000

Mr. Chairman, funding in Cost Centre 30060 includes the National Sports Centre operational grant, including \$950,000 for the operation and maintenance of the Aquatics Centre. This reflects a decrease of \$300,000 (22%) from the FY 2013/14 budget. There are small decreases in funding allocation (2% each) for Cost Centres 30075 (the WMC Preece Softball Stadium) and 30080 (the WER Joell Tennis Stadium).

Mr. Chairman, there are four (4) cost centres under Youth Development Programme, and there is no change in there budget allocation, except for a 2% reduction in Cost Centre 30210 Youth Development Administration due to furlough days.

Mr. Chairman, funding levels for the Department's three (3) community centres, the Centre (Hamilton), St. George's Community Centre, and Boaz Island Community Centre remains relatively unchanged to that of last year (\$1.599M, per page B-256), with the 2% reduction reflecting furlough days.

The three Community Centres, provide an immeasurable opportunity for Bermudians of all ages to experience positive recreational opportunities. Starting with the very young, the Centres offer safe, structured programming, compassionate staff and an opportunity to build positive and

effective relationships. As with all Youth, Sport and Recreation Programmes, the Community Centres are invested in the 40 Developmental Assets, which are considered by researchers at the Search Institute, a nonprofit organization in Minneapolis, Minnesota, to be the building blocks of healthy youth development. The developmental assets are 40 values, experiences, relationships, and qualities that bring many benefits to the young people who have them.

Mr. Chairman, the Music Programme is a fine example of asset building as children are exposed to the Performing Arts from an early age. The Youth Advisory Committees at the Centres give guidance on programmes, for example in addition to the traditional classical music, DJ and recording programmes are offered. All of the Community Centres offer a Seniors Programme. The CIT (Counsellor in Training) Programme continues to be a great success at all Community Centres.

A total of thirty - one (31) staff are employed at the three centres; 10 full-time and 21 part-time (page B-258). .

Mr. Chairman, the Department's Camping Programme has also retained most of its funding for 2014/15, with only a 2% budget reduction overall across the five (5) camping Cost Centres (page B-256).

The budget estimate for the Camping Programme provides for the staffing, operation and administration of four camping facilities, including maintenance, repairs, supplies, energy, fuel, wages and the marine vessels' operations. The Camping programme employs eleven (11) staff (page B-258) who maintain facilities and the marine vessels.

Mr. Chairman, the Camping Facilities include:

- ***Darrell's Island*** with fourteen rustic campsites that can accommodate thirty campers at each site. It also houses a building which accommodates thirty campers.
- ***Messina House*** is the only land-based campsite. This site is located in Boaz Island, Sandys and can accommodate a maximum of thirty-four campers.
- ***Paget Island*** is located in St. George's harbour and is the largest single campsite, accommodating a maximum of ninety-five campers.

- **Ports Island** is the oldest camping facility. It houses a building which accommodates a maximum of forty-five campers.

Mr. Chairman, the budget allocation for the school age activities programme cost centres remains unchanged at eight hundred and twenty-one thousand dollars (\$821K) (page B-256). This will help to promote and support leisure activities through recreation and to support local day camping during school breaks.

The programme supports approximately eight hundred (800) school aged children and is housed at various pre-schools, primary schools and middle schools throughout the island. Additionally, there is a Special Needs Programme that provides one-on-one care for special needs children. Approximately one hundred and seventy (170) part-time employees conduct the school age programme and are supervised by qualified teachers. It should be noted that eighty percent (80%) of the part time staff are university, college and high school students.

Mr. Chairman, under this programme a budget of approximately one hundred thousand dollars (\$100K) is provided for three Teen Camps (including a sports camp) for Middle School Age Children. This supports up to one hundred (100) middle-school children through camps that provide for staff, books, materials, visits to businesses and community helping services, and supplies and equipment which help to ‘develop’ the whole child.

Mr. Chairman, the After School Programme operated by the Department of Youth, Sport and Recreation provides for staffing, communications materials and supplies for ten After School Programmes at Government Primary Schools. Cost Centre 30125 has a reduced budget of eight hundred thousand dollars (\$800K) reflecting a decrease of four hundred and eighteen thousand dollars (\$418K). The main reason for the decrease in expenditure is that one After School Programme site (Victor Scott School) was closed in 2013. The Programme supports a maximum of 500 primary school aged children across the 10 schools and employs approximately 60 part time workers.

Mr. Chairman, performance metrics for Head 20 are found on pages B-259 to B-261. This concludes my budget presentation of Head 20.

Head 55 - Financial Assistance

Mr. Chairman, I now turn my attention to Head 55, the Department of Financial Assistance.

Mr. Chairman, the current account expenditure estimates for Head 55 the Department of Financial Assistance is found on pages B-276 to pages B-279 of the Estimates Book. The mandate of the Department of Financial Assistance is to ensure that individuals with insufficient financial resources have access to services in order to gain, maintain, or regain a minimum standard of living while encouraging personal and economic independence.

Mr. Chairman, Head 55 has been allocated forty-six million nine hundred and forty-eight thousand dollars (\$46.948M) for the continued provision of services during FY 2014/15. This represents an increase of seven million four hundred and seventy-two thousand dollars (\$7.472M) or 19% over the original budget of thirty-nine million four hundred and seventy-six thousand dollars (39.476M) in FY 2013/14 (page B-277).

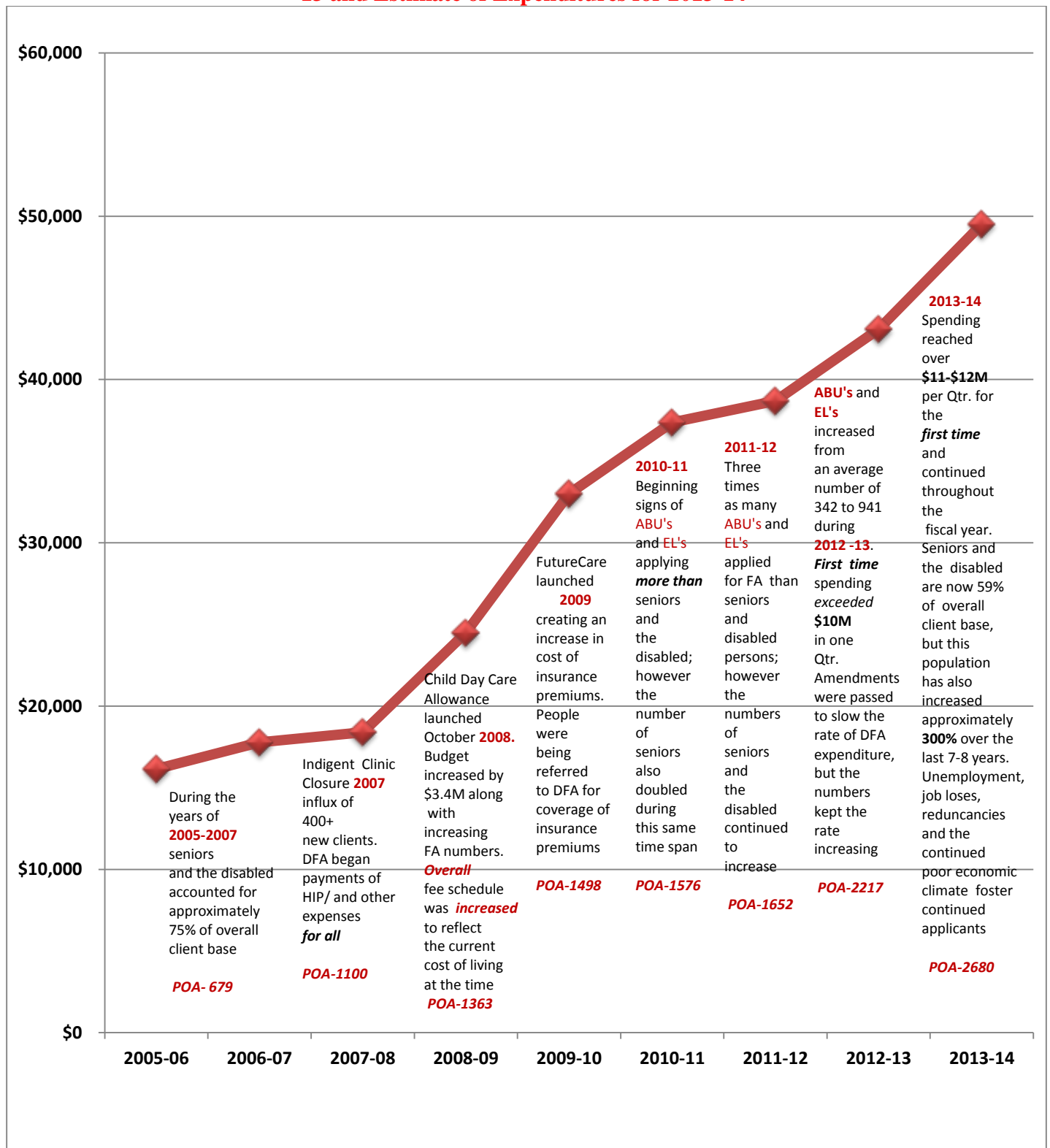
Mr. Chairman, The Department of Financial Assistance (DFA) is responsible for assessing applicants for financial assistance and child day care allowance, and granting benefits and awards under the guidance of the Financial Assistance Act 2001; the Financial Assistance Regulations 2004; the Child Day Care Allowance Act 2008 and the Child Day Care Allowance Regulations 2008.

Mr. Chairman, For the benefit of Honourable Members and our listening audience, and with your indulgence, I will provide a brief synopsis of historical expenditures in the Department of Financial Assistance. Figure 1 in my brief graphically illustrates that total actual expenditures have risen steadily over the last decade and more sharply within the last few years. Figure 1 shows that the total actual expenditure has increased dramatically from around \$16 million in 2005/06 and is expected to reach almost \$50 million in 2013/14.

Mr. Chairman, During 2005/07 the average number of persons on financial assistance was about 680. At that time, seniors and persons with disabilities accounted for approximately 75% of the overall financial assistance client base. Several factors contributed to the observed

dramatic increases in overall expenditure. First, the closure of the indigent clinic in 2007 caused an influx of over 400 persons, with the average number of persons on financial assistance rising to over 1,100; this is an approximate 60% increase. Second, the child day care allowance programme launched in October 2008 and increased expenditures by \$3.4 million and the average number of persons on assistance to around 1,360, a 25% increase.

Figure 1 - Department of Financial Assistance - Actual Expenditures from 2005-06 to 2012-13 and Estimate of Expenditures for 2013-14



(\$000) **POA** – Averages of Total # People on (FA only 2005-08) and (FA and CDC from 2008-09 on)

ABU – Able-bodied Unemployed **EL** – Earnings Low)

Mr. Chairman, in 2009 there was an increase in health insurance premiums due to launch of FutureCare. This caused the average number of persons on assistance to rise to almost 1,500 persons and the total expenditures approached \$32 million per year.

Mr. Chairman, the impact of the economic downturn, especially with the evaporation of the much needed second job for many Bermudians, began to be felt in earnest in Bermuda in 2010/11 and the average number of persons on assistance reached 1,575 and larger numbers of able-bodied persons and persons on low earnings applied for financial assistance. Numbers of seniors and persons with disabilities also increased, albeit at a slower rate. These trends continued throughout 2011/12, such that by 2012/13 the number of able-bodied persons and persons with disabilities had increased to 941, with the average number of persons on assistance exceeding 2,200 and the total expenditure climbing to \$43 million per year. The wave was continuing to build.

Mr. Chairman, in FY 2013/14 spending by the Department of Financial Assistance has reached unprecedented levels, averaging \$11 million to \$12 million per quarter. Seniors and persons with disabilities now account for some 59% of the overall client base, whilst the numbers of able-bodied persons and persons with low earnings account for over 40% of all persons on financial assistance. The average numbers of persons on assistance and the total expenditure level are now at historic levels of about 2,680 persons and almost \$50 million, respectively.

Mr. Chairman, these levels of assistance and expenditure are expected to remain high throughout 2014/15, even when amendments made to the Financial Assistance Regulations in 2011, 2012 and 2013 to effect cost cutting measures are taken into account. Although the previous legislative amendments resulted in reduced *individual* monthly financial assistance payments, the fact remains that more people than ever before are applying for and receiving financial assistance benefits. However, we will continue the trend of reduced allowances which started in 2011, during this fiscal year.

Mr. Chairman, the current level of financial assistance expenditure is unsustainable. For the past several years, the budget allocated to the Department of Financial Assistance has not been adequate to meet the demand for financial assistance benefits. The Ministry is constantly having to play catch-up and has again been forced to seek supplementary funding in this Honourable

House during this Budget session in order to enable us to just meet the current demand for assistance I spoke about a moment ago.

Mr. Chairman, at present financial assistance workers are servicing a very high caseload, averaging 225 cases per worker. This number far exceeds the amount of cases in terms of best practice for similar agencies. Given the trend of increasing numbers of persons applying for financial assistance, it would not be surprising to see the average number of persons on assistance exceed 3,000 in FY 2014/15. This number of clients would mean an average caseload of 250 per worker, and would be unacceptable and unsustainable.

Mr. Chairman, returning to page B-277 of the Estimates Book, it is clear that the bulk of the financial assistance budget is placed in Cost Centre **65050 - Grant Administration**, which is budgeted at slightly less than **\$44** million for 2014/15 (page B-277). This cost centre includes funding for the Child Day Care Allowance Programme and the Financial Assistance Programme and also includes funding for organizational grant recipients who include: the Salvation Army, Care of the Blind; Meals on Wheels, Summerhaven, Matilda Smith Williams, STAR, Teen Haven, and Packwood Rest Home.

Mr. Chairman, in addition to assistance provided for rest or nursing home care, the Department also supports family members who qualify to enable their senior relative to remain in the household. This assistance, while cost effective to Government, provides a much needed boost for seniors to spend time with their families, and to remain in the households of their loved ones. This benefit is called Home Care Allowance and is at a cost of \$2,000 monthly.

Mr. Chairman, as the majority of the clients serviced through the Financial Assistance Department continue to be seniors, disabled and persons with special needs, the Department endeavours to meet the needs of these populations in particular. Currently there are approximately 773 seniors serviced by the Department; approximately 163 are in rest/nursing homes; 103 are living in Bermuda Housing Trust properties. The remaining seniors reside alone or with family members. The Department also pays for FutureCare Insurance for all senior clients. Currently this rate is \$440.00 monthly, and tends to increase yearly.

Mr. Chairman, as mentioned previously, the Child Day Care Allowance Programme was officially launched in November 2008 and is guided by the Child Day Care Allowance Act 2008 and Regulations 2008. The most recent amendments passed affecting the Child Day Care Allowance Act 2008 and the Child Day Care Allowance Regulations 2008 were made in 2013 with a view to revamp current criteria and to impose additional conditions in order to increase client responsibility and accountability.

To date, the expenditure has ranged from \$267,183 to \$295,192 monthly, with an average monthly award of approximately \$794.00 monthly, per child, per month.

Mr. Chairman, most parents on the Programme remain single; employed and with one to two children in a child day care environment. The average savings per household could range anywhere from between \$7,305 to \$9,600 yearly (per child).

Mr. Chairman, the Government of Bermuda remains committed in assisting parents with the high cost of child day care. To date, the Child Day Care Allowance Programme has paid out over **\$15.8 million** dollars towards this worthy cause which has benefitted over 2,750 children, and continues to lessen the financial burden of their parents/guardians.

Mr. Chairman, as noted above, the Department's Financial Assistance Programme operates under the Financial Assistance Act 2001 and Financial Assistance Regulations 2004 and subsequent amendments made in 2004, 2008, 2011, 2012 and 2013.

Mr. Chairman, the most recent amendments passed affecting the Financial Assistance Act 2001; the Financial Assistance Regulations 2004; the Child Day Care Allowance Act 2008 and the Child Day Care Allowance Regulations 2008 were made with a view to revamp current criteria and to impose additional conditions, in order to increase client responsibility and accountability.

Mr. Chairman, the Department continues to assess persons based on the formula indicated in our Regulations 2004, where eligibility for an award will be established when the amount of allowable expenses of the person exceeds the amount of qualifying household income of the person/household for that period and the value of investments (whether located in Bermuda or

elsewhere) owned by the person does not exceed \$500 in the case of persons under the age of 65 and \$5,000 for persons over the age of 65.

Mr. Chairman, as stated previously, there continued to be an increased demand for overall financial assistance within this last fiscal year. The total number of clients serviced has continued to increase, vacillating monthly, between 2,174– 2,720. This is an increase of approximately 265 more persons over this time last year.

This influx is viewed as unsustainable, and represents the continued building of the wave that started in earnest back in 2011.

Mr. Chairman, this increase in the numbers of applicants may be directly contributed to the shrinking of financial resources in our current economic climate. It also represents the unavailability of the essential second job for some, which has historically been necessary for many in Bermuda.

Mr. Chairman, due to the continued economic climate, it has been noted that the categories of able-bodied unemployed and earnings low persons, have more than doubled over this last year and tripled over the last 2-4 years. This equates to a payout of over \$1.5 million, monthly, just for these two categories of clients. It should be noted, that we are seeing for the first time, people who have been out of work for two to three years, as their ‘nest eggs’ are now depleted.

Mr. Chairman, the increase in this fiscal year’s budget for Head 55 of an additional \$7.6 million reflects the amount required to service these increasing numbers of persons that have applied for assistance, and who are found to be in need. Expenditure over the last two years has increased from \$9.7 million per quarter in the first quarter of 2012/13 to over \$12 million quarter 3 of this fiscal year.

The high ticket items for payout include:

- Rents, that have topped \$1.35 million monthly,
- Rest and nursing home fees, that have a pay out of approximately \$630,000 monthly;
- insurance premiums, that cost over \$620,000 monthly, and

- food, with a pay out of over \$395,000 monthly, to name a few.

Mr. Chairman, again, this growing expenditure is unsustainable and must be addressed!

Mr. Chairman, To further encourage our able-bodied clients to shorten the length of time on assistance, the Department will continue to work with the Department of Workforce Development, other government agencies and non-governmental agencies, to increase our collaboration in empowering our clients to seek and find gainful employment with anticipation of them being able to either decrease their need for assistance or to eliminate the need all together.

Mr. Chairman, The second cost centre for the Department of Financial Assistance is **65080 - General Administration**, which provides funding for the general administration, supplies of operation for the Department and includes salaries. This year just under \$3 million has been allocated for salaries and general administration (page B-277). The subjective analysis shows that, despite the very high financial assistance caseloads I just referred to a few moments ago, all workers in the Department of Financial Assistance are subject to furlough days as part of the overall reduction in Government expenditure, thus the salaries object code shows a decrease of \$132K for 2014/15.

Mr. Chairman, in light of this, I want to take the opportunity to salute all staff in the Department of Financial Assistance for the tremendous work that they do on behalf of the Government and people of Bermuda.

Mr. Chairman, The Department continues to provide income maintenance to Bermuda's neediest individuals and families and does so in the most efficient and effective manner. This continues to be achieved through the commitment and diligence of the staff of the Department of Financial Assistance.

Mr. Chairman, in the upcoming year the Department will continue to focus on internal strategies to ensure that our clients can benefit from enhanced in-house services, as well as

outreach services around issues dealing with minimizing or eliminating financial strife, as well as focusing on strategies for reducing the overall expenditure of the Department.

Mr. Chairman, the Investigative Officers in the Department have been successful in recovering approximately \$85,000 over the last 10 months.

Mr. Chairman, abuse, misuse and fraud are committed by a small margin of recipients, however one infraction is one too many. In January of this year, the Department launched an anonymous Hotline for persons to report suspected cases of abuse of the system. The Department continues to extend an invitation to those members of the general public who may be aware of anyone who may be abusing the system, to report any possible misuse of Government funds by calling 297-STOP (7867).

Mr. Chairman, year-to-date, the 297-STOP number has generated some 38 phone calls to the Department since the first week of January 2014. This averages out to be over one call per day. Of the 38 calls: 3 have been unsubstantiated; 3 have been in reference to former clients (currently inactive); 5 were for general complaints or comments made by the public; 9 relate to open and ongoing investigations; and 18 have been substantiated. In other words, these early statistics show that some 18 of 21 anonymous calls (86%) have been found to be valid, and represent misuse of the financial assistance programme. I can confirm that steps have been taken to address the abuses that were reported.

Mr. Chairman, I have to stress again that payouts of over **\$12 million** monthly are entirely **unsustainable** and we ask that members of the general public, the general community and private sector alike, all take this current situation into account. It would be prudent to ask us all to accept that the days of overspending are gone; we cannot continue to WANT what we do not absolutely NEED and that we cannot fool ourselves into thinking - that if you can't afford it, government can. We are all in this boat together; and we must remain afloat.

Mr. Chairman, We are on a journey of social recovery. In doing so, we must continue to support those who are truly in need of financial assistance. However, we must also strive to do things differently. It is unacceptable to continue to increase spending for financial assistance year over year. We must nudge people off financial assistance and make them more accountable

for financial management of their affairs. We must offer help to our people, where there are underlying social issues. We must not just give fish, but teach how to fish.

Mr. Chairman, in the very near future I will be outlining a new schedule of allowable expenses for persons on financial assistance. We intend to continue to help people in need, but at the same time we have to strive to lessen the burden on the taxpayers as a whole.

Mr. Chairman, the staff of the Department of Financial Assistance should be applauded and commended for their continued commitment and for the efficient manner in which they carry out their duties and responsibilities.

Mr. Chairman, this concludes my comments on the 2014/15 budget for Head 55 – the Department of Financial Assistance, and thus my overall presentation for the Ministry of Community, Culture and Sports.