

Speech *from* The Throne

ON THE OCCASION OF THE CONVENING OF THE LEGISLATURE

"Restoring Confidence and Opportunity"



Delivered by
His Excellency the Governor
Friday, 13 November 2015



2015 SPEECH FROM THE THRONE

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Bermudians, throughout their long and eventful history, have demonstrated qualities of confidence, ingenuity and resilience.

These attributes have enabled them to prevail through thick and thin, exercising know-how, teamwork and faith to progress the lives of their families, their communities and their Island.

These homegrown traits are alive today, working in countless ways to move Bermuda forward, helping to end years of economic stagnation and decline.

They were evident when Bermuda secured the 2017 America's Cup – a remarkable achievement in which Bermudians from government and the private sector came together to succeed in their bid for one of the most prestigious events in world sport.

They were evident on Front Street this summer when restaurants battled in a highly watched fish sandwich contest that saw Rosa's Cantina, the winner, team up with Zaki's Bakery on Court Street to form a business partnership that continues today.

And they were evident in the outpouring of entrepreneurial energy during the Louis Vuitton World Series of Racing in October.

The 59 street vendors included Lifestyles, a company formed by Carlita Burgess and friend Marjorie "Miki" Caines when they were both unemployed. Ms. Burgess said the America's Cup was a stepping-stone for her company, which has since secured a shop front location in Hamilton.

More and more Bermudians are helping to turn the tide, seizing opportunities, making things happen.

Confidence is returning, opportunities are growing. The mood is positive, the outlook promising.

The Government will continue to encourage, facilitate and support these trends because the turnaround is not yet complete and because economic recovery does not happen evenly: Where one Bermudian finds a job, others remain behind; where the

fall in unemployment from 9% to 7% is good news, it also means many are still jobless.

Much work remains.

The economic challenges facing Bermuda remain deep and concerning. High levels of youth unemployment are unacceptable, annual government deficits are unsustainable and public debt is a threat to Bermudians not yet born.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Economic recovery will continue to be the national priority because of its potential to help more people, more quickly than anything else. Without economic recovery, there can be no human recovery from the setbacks of recent years, nor can there be resolution of the financial problems besetting the public purse.

To deal with these challenges, the Government continues to pursue a two-track strategy to grow the economy and impose discipline on the public purse. Particular energies have been focused on rebuilding Bermuda's tourism industry and improving the Island's attractiveness to international business.

Success in either of these ventures depends on winning back investor confidence in Bermuda, and that means implementing what is needed to attract them to our shores. This work is critical because foreign spending is the lifeblood of the economy. Without enough of it, there is shortage and struggle for many.

The Government's effort to attract foreign investment has taken many forms – changing regulations, passing legislation, cutting red tape, identifying market needs, meeting people and promoting the Island as a place to do business. The work is showing results:

- Pink Beach is undergoing a \$50 million redevelopment.
- Ariel Sands has received Planning approval for an \$85 million rebuild.
- Hamilton Princess has started Phase 3 of its \$100 million restoration, with the promise of another 100 construction jobs.

- Coral Beach Club has started the first phase of a \$14 million renovation.
- Morgan's Point has received Planning approval for first stage resort development, and
- The just-signed agreement for construction of a new St. George's hotel expects shovels in the ground in the first quarter of 2016.

These are significant developments that promise job and career opportunities for Bermudians while setting the stage for a tourism revival that was nowhere in sight a few short years ago.

More broadly, the economy is showing multiple signs it is moving in the right direction:

- Bermuda's Gross Domestic Product recorded positive growth for the third consecutive quarter, the first period of sustained growth since 2008.
- The value of construction projects started during the first half of 2015 grew to \$89.4 million, an increase of 20.3%.
- The retail sector, stagnant for years, has recorded 12 straight months of growth, with consumer confidence at the end of this year's second quarter rising to its highest point since 2007.
- Tourism air arrivals for the third quarter of 2015 were positive for the first time in seven quarters.

In public finances,

- Total Government revenues for the first six months ending September 2015 were \$20.7 million or 4.5% above the amount collected during the same period last year.
- Government Current Account spending outside of debt service was \$3.8 million less than the amount spent during the same period ending September 2014.
- Excluding debt service, Government recorded an \$8.6 million current account surplus for the first six months of the year, the first time this has happened in seven years.

- By the end of the fiscal year in March 2016, the Government expects to get the Current Account, before debt service, to a surplus position, again the first time in more than seven years.

These statistics reflect the work of many Bermudians, who took stock of the Island's dire situation, put their shoulders to the wheel and pushed for a better tomorrow. And for that effort, the statistics also reflect an emerging reality that bodes well for their fellow Bermudians – a growing economy that makes it possible for people to get a job, pay their bills and put food on the family table.

The Government's programme for the year ahead will therefore continue to focus on growing the economy, stabilizing government finances while bringing forward progressive measures to improve the quality of life for all.

Bermudians can expect social support programmes to continue, expansion of human rights protections, reforms to strengthen government accountability and performance, protection and care for the most vulnerable and steps to expand democratic participation.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Government is building a new foundation of opportunity for Bermudians. The changes to date have sought to open new lines of activity and provide new levels of support so that the Island, once again, works for them. It's a work in progress. The duty of the Government in this process is to ensure that opportunity is fairly managed so that everyone, without exception, has a fair chance to succeed.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

A growing number of seniors and adults with severe disabilities are increasingly compromised by the absence of a legal entity to make decisions on their behalf when they are no longer competent and there is no next of kin. Such is the case for dementia and Alzheimer's patients, and persons with severe cognitive disabilities. As a result, they are vulnerable and unprotected as no one is legally authorised to make decisions in their best interest, particularly in relation to medical and financial matters.

The existing legislative framework does not allow for legal responsibility where individuals are abandoned or have no family, and the Ministry is unable to fully cater to their care needs due to lack of authority for decisions about their care and management. The Ministry, consequently, will explore establishing a statutory role akin to an “Office of the Public Guardian” that will be legally responsible for dependent individuals without mental capacity and with no family members or next of kin, in order to coordinate their care needs and finances adequately.

The Government will take steps to amend legislation to strengthen protection for seniors and persons with disabilities. The Senior Abuse Register Act, for example, lacks the authority to remove seniors from abusive situations or cases of neglect. There is also an absence of legislation that protects persons with disabilities as well as other vulnerable persons.

Government has identified the need to modernise the Residential Care Homes and Nursing Homes Regulations and to take action to ensure staff qualifications necessary to provide the specialized levels of care to all seniors of various functional abilities are clearly outlined, in place and publicly available for all licensed facilities.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Access to affordable chronic disease medication is vital. When people cannot afford to buy the medications required to treat their chronic conditions, their ability to manage diseases such as diabetes, hypertension and heart disease is compromised. Preventable complications are the result – complications that can lead to emergency room visits, hospitalizations, even premature death.

To address the situation, Government will pilot a programme to increase access to key medications. The programme is based on joining the Pan American Health Organization’s Strategic Fund to procure selected drugs for Government programmes at favourable rates. The fund allows for pooled procurement with other countries in the region so that chronic disease medications can be obtained at significant savings. The savings will help Government programmes provide affordable, appropriate treatment that people with lifelong conditions need.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The legislation that currently guides medical professionals in Bermuda, the Medical Practitioners Act 1950, is to be modernised to provide a regulatory framework that ensures Bermuda continues to be served by well-trained, competent medical practitioners.

The Act will be amended to improve the efficiency and effectiveness of the Bermuda Medical Council in regulating medical practitioners, both in terms of professional competence and conduct.

The Government will also review the Mental Health Act to ensure it remains in line with international best practices. The absence of a secure forensic psychiatric unit on Island is a particular concern. Several reviews have been conducted over the past 10 years, but the logistics of identifying local supporting resources has been challenging. The Government will commit to identifying the resources needed to revamp the Mental Health Act and to identify a forensic psychiatric solution appropriate for the Island's size and resources.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

With the number of elderly in Bermuda set to nearly double over the next 20 years, Bermuda requires system-wide changes to ensure it can continue to meet the needs of people requiring long-term care. To this end, the Bermuda Hospitals Board (BHB) is taking initial steps to decrease the cost of care without compromising quality.

The BHB's Long Term Care pilot programme focuses on incremental changes in the hospital's Long Term Care wards, where there is a mix of residents requiring complex to intermediate skilled nursing care. The programme will reorganize the wards to develop a more efficient staffing model and improved service delivery. The objective is to create a model of care that improves the value for money spent on Long Term Care.

BHB's progress on a model of care will help advance work on a system-wide solution that can accommodate the anticipated need for long-term care for this growing segment of the population. It is expected the solution will entail a shift towards community

care and home care where quality of life is highest and the costs of care are lower. To achieve this shift, it will be necessary to integrate service delivery among primary, hospital and community caregivers.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Government has undertaken a plan to revitalise the Island's Agriculture Sector for a healthier population. One of its aims is to decrease reliance on international food imports and to support greater local production. In the coming year, the Government will complete a Crop Sector Strategy and launch the Dairy Sector Strategy. The Government will introduce a new policy enabling the Department of Environmental Protection to facilitate importation of new sources of agricultural plant material at potentially lower cost and in a manner that is consistent with international trade obligations and industry best practices.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

To make life in Bermuda more fair and more inclusive, the Government will bring forward amendments to the Human Rights Act to expand human rights protections.

The Government holds that, to the extent possible, people who suffer from mental disability or impairment should not be discriminated against in employment, accommodation or the procurement of goods and services. It will therefore introduce an amendment adding mental disability as a protected ground under the Human Rights Act.

The Government will also introduce amendments to outlaw discrimination based on the printed word.

A recent Human Rights Commission Tribunal concluded that online conversations and comments could not be allowed as evidence of discrimination because written material does not fall within the meaning of "notice, sign, symbol, emblem or representation" under the 1981 Human Rights Act.

The Government, therefore, will amend the Act to include written content such

as words, articles and statements as a protected ground against discrimination. A further amendment is intended to prohibit the publication of racist material and racial incitement by expanding the Act's definition of "publish or display" to include recorded telephone discussions, internet, emails recorded in print or recorded on the internet, radio, television or any other electronic medium of communication.

The Government also intends to clarify and expand the definition of a public place under the Human Rights Act. In cases where threatening, abusive or insulting words are used to promote or incite hostility against a member of the public distinguished by factors like colour, race, ethnicity or national origin, the definition of a public place will refer to both indoor and outdoor public places.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Following a review of the structure of the Department of Human Affairs, the Government considers it prudent to reframe the way in which human rights policy is developed and implemented. It will therefore provide the Human Rights Commission with a level of independence in line with international best practice. The Commission will transition from being an arm of the Department of Human Affairs to a non-ministry entity with a greater degree of autonomy.

The Government will move to provide a more modern framework for the Bermuda Archives by amending the Bermuda Archives Act 1974 to include a Director of Archives whose functions will be statutorily defined. At the same time, Government will take the opportunity to clarify terms and definitions related to records management, and to strengthen provisions associated with protection of records being held by the Bermuda Archives.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Co-Parenting Mediation Council established earlier this year is progressing the use of mediation to enable separating parents to continue to be involved in the lives of their children and to make custody and divorce proceedings constructive and less acrimonious. To ensure that both men and women are involved in this important work, the Government will expand the council from five to seven persons, with a

requirement for at least two male and two female council members.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Protection of vulnerable witnesses, particularly children, will be enhanced with legislative measures to facilitate the use of videoconferencing in judicial proceedings. Further protective measures will be examined, including the admissibility of police interview evidence for vulnerable witnesses and their cross-examination by video link. Where warranted, this will help overcome the reluctance of witnesses to testify by allowing them to avoid the intimidation of appearing in open court.

One of the missions of the Ministry of Legal Affairs is to support the management of the judicial system in ways that achieve more amicable settlements of family disputes. To that end, the Ministry will continue to facilitate the creation of an Integrated Family Court by helping to synchronise the administration and procedures of the Supreme Court Family Division and Magistrate's Family Court.

Integral to the new Family Court will be the use of alternative dispute resolution and mediation procedures. The new Family Court facilities are to be located in the Dame Lois Browne-Evans Building. Family mediation training to certify new family law mediators is scheduled to start before year-end.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Government will continue progress toward the establishment of a Mental Health Court. A just-concluded pilot programme for the treatment of mentally ill offenders has produced encouraging results and legislative steps will be pursued for its adoption. A Mental Health Court utilizing best practices promises to provide more suitable services for this segment of the criminal offending population and, by their diversion to the court, ease the strain on the criminal justice system.

During this legislative session, the Ministry of Legal Affairs will bring forward reforms to eliminate inconsistencies in law pertaining to perpetrators of sexual crimes and their young victims. This overdue updating of the law will ensure that penalties for predatory sexual crimes against the most vulnerable segment of society

are appropriate for sufficient redress and deterrence. It will also aim to protect young people against stigmatization due to their victimization and, where warranted, ensure that juvenile sexual experimentation does not fall into the same category as the most serious of sexual offences.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

To support families and require people to uphold their responsibilities, the Government will review the system of child maintenance payments with a view to improving mechanisms available to enforce the collection and payment of maintenance arrears.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

‘Children First’ is the principle underlying every aspect of the Ministry of Education’s strategy to provide Bermuda’s young people with the education they need to progress in life.

School Improvement Plans are underway for every school and scheduled for completion in 2018. A professional development programme based on the Danielson Framework will be implemented to strengthen teaching skills that positively impact student learning.

The Child Development Programme using best practice standards is at the second stage of its international accreditation process. A strategy supporting the programme will be implemented during the year.

The Ministry will proceed with plans to equip teaching staff in every school with specialised training to steer student behaviour toward productive learning activities. The training, which is based on the Multi-Tiered System of Support, is a three-year commitment that includes the implementation of core rules, anti-gang and anti-bullying programmes, building strong social skills and positive interventions to address student needs.

The Ministry will continue the transformation of school curricula by adopting Standards-Based Grading to measure student proficiency against well-defined course objectives. This will contribute to system-wide consistency in grading practices and

greater attention to the meaning of student grades.

A Career and Vocational-Technical STEM programme will be developed for September 2016, opening more school-to-career options in trades and STEM, which refers to Science, Technology, Engineering and Mathematics. The Department of Education and Bermuda College will partner to establish the first phase of a Teaching and Learning STEM Centre for teachers and students. STEM is also being introduced at the early childhood to primary levels using outdoor environments to develop inquiry-based learning.

To ensure non-English speaking students get the quality education afforded all students, the Ministry of Education will expand curriculum and support services to include an English Language Learners (ELL) programme.

To continue the process of strengthening and improving parent and community involvement in public schools, the Ministry will introduce a Parent Involvement Committee to develop a strategy for the Public School system.

A School Reorganization Advisory Committee (SCORE) has been established to undertake a collaborative and inclusive approach to the challenging issue of school reorganization.

The SCORE Committee will engage parents, educators and other community members in a comprehensive review of the programmes, building use and stakeholder needs of preschool and primary school in the Public School System. The review will lead to a presentation of findings about the feasibility of school closures and the number of schools to be closed – if any at all – prior to the 2016/17 school year.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Public Service reform remains a strategic necessity for Bermuda. There has been progress on reducing the government deficit, but the gap between what Government earns and what it spends remains significant and a threat to the Island's fiscal integrity. The situation without reform is not sustainable.

The objectives of the Public Service Reform Initiative are to review and rationalize the operations of government and to increase its efficiency. Working groups drawn

from the public and private sectors to assess pensions and benefits, digitization of services, human resources and government assets such as land and buildings are pursuing these objectives.

A functional review to identify duplicated services has been completed, and it is expected that a number of department amalgamations will move forward with some new operating models adopted through consequential legislative amendments.

To improve efficiency and accountability, the Government will amend the Public Service Commission Regulations 2001 to streamline referrals to the Staff Medical Board, incorporate “suitability” into the Government’s recruitment strategy, and consult and then amend the regulations to broaden the scope of evaluations for the most senior civil servants.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

In keeping with its commitment to increase levels of openness, transparency and financial accountability, the Government will introduce new regulations for the awarding of contracts. The regulations, which contain a “Code of Practice for Project Management and Procurement”, will apply to all public authorities in the procurement of goods, services and works for the government. Before the regulations are tabled, and before the end of 2015, the Code will be made available to the public on the Office of Project Management and Procurement’s website at www.OPMP.gov.bm.

The Government will also open up the process for citizens wanting to serve on government boards and committees, providing, for the first time, the opportunity to formally apply for positions. The Government will use the extension of this opportunity to achieve equitable gender representation in this important area of public service. Expression of interest forms will be made available on the Cabinet Office’s website before the end of this month and can be completed and submitted electronically. Government expects this initiative will see boards and committees draw from a larger talent pool than has been the case in the past. It is to be followed in 2016 by a functional review of government boards to determine how their productivity and effectiveness can be increased and decide which Boards are no longer required.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

On April 1, 2015 Bermuda joined more than 90 countries worldwide by adopting a Public Access To Information (PATI) regime. The introduction of PATI may well revolutionise the relationship between citizen and government, helping to anchor public life to the principles of accountability and transparency. As PATI has taken root here in Bermuda, it has become clear that changes are needed to streamline administrative processes and to clarify PATI exemptions. The Government therefore will table amendments to the PATI legislation to maximise a citizen's ability to request and obtain records from public authorities in a timely manner.

In the second quarter of 2016, the Government will launch a new website to replace the website at www.gov.bm. The new website, which will contain government information and services, has been designed to link visitors to the information they need in no more than three clicks.

During the Parliamentary session, the Government will table a Bill authorizing the Department of Statistics to conduct a Population and Housing Census in 2016/17.

The information collected for the 2016 Census will relate to Census Day, which is typically May 20. In conducting the census, the Department of Statistics, for the first time, will offer the option to the public to input census data online – a potential cost-saving measure depending on people's participation.

The current process of 'gazetting' Government notices is costly for government and cumbersome for members for the public searching for notices. As a result, the Government will table legislation allowing for notices to be gazetted electronically – a cost-saving measure that will see government notices available on the Internet and searches becoming more convenient for members of the public.

The Government will consider the recommendation of the 2013 Joint Select Committee on Parliamentary Governance and Reform to establish a Parliamentary Management Commission to administer the affairs of the Legislature independent of government. This recommendation is in keeping with international standards of governance, accountability and transparency as prescribed by the Commonwealth Parliamentary Association for democratic legislatures. To these ends, the Legislature will be asked to consider amendments to the Parliament Act 1957.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The maxim “prevention is better than cure” has been taken to heart in the Government’s continuing focus on the issues of violent crime and anti-social behavior. The effectiveness of the Police-led enforcement action, culminating in prosecutions and long sentences, has provided the opportunity to place increasing emphasis on education, lifestyle choices and positive behaviours. Facilitated by the Ministry of National Security, the GREAT Programme will be enhanced with additional instructors from other uniformed services to deliver the programme’s positive message to Primary and Middle School students.

Modern policing methods are complemented by practical uses of technology. The expansion of the Island’s CCTV network has aided in early crime detection and enhanced the investigation of crime. To further strengthen this policing resource, the Government will provide funding for the expansion of the CCTV network to Dockyard as part of the infrastructure in support of increased activity in this area. The Town of St. George’s will be included in this expansion in support of the existing policing footprint in the east end.

During this Session, the Fire Safety Act 2015 will be brought into force, introducing new standards of fire safety for Bermuda. The legislation, which follows significant consultation with relevant professional bodies, aims to reduce the risk of injury or death in the event of a fire.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Recidivism rates are at historically low levels. The rehabilitation of inmates and their successful return to society is borne out in these enviable statistics. With prison populations at record lows and the successes achieved in meaningful work experience and community driven programmes, the Government has commissioned a review to determine the best means by which to close one of the minimum security facilities. Best practice dictates that inmates are incentivized to progress through the corrections system toward eventual release. This principle will guide the approach to this change in the model of Corrections’ operations in Bermuda.

The continuum of care for those affected by drug addiction and alcohol abuse must be preserved and, where possible, strengthened. Prevailing economic conditions have affected the donor community's ability to support charitable organizations generally and drug treatment is no exception. The Department of National Drug Control will determine the model best suited to the delivery of this service and will work with organizations like Focus to ensure those individuals in need of services receive them and that those entities charged with delivering them do so efficiently and cost effectively.

The Police (Discipline) Orders 1975 are increasingly out-of-step with modern practices. There is also no effective framework to deal with long-term sickness of Police officers or a systemized process for managing the health and welfare of those officers and ensuring that they remain fit to serve.

The Government will introduce legislation to replace the old discipline process with a modern system that emphasises performance improvement and learning, although serious cases that warrant formal proceedings will also be provided for. The new system will be more transparent and aligned with the principles of natural justice.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The long awaited Defence Act will be tabled and debated this Session. The Act will prescribe a sensible path to end conscription and create a modern system of discipline for the Royal Bermuda Regiment.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Protection of personal information in today's switched-on world is vital. Bermudians and local businesses are heavy users of the Internet and it is essential to have a privacy regime in place to protect the information people impart electronically and through more traditional means.

To that end, the Government will introduce the Personal Information Protection Act. In line with international best practices, the legislation will require a person's consent for the collection, use and disclosure of their personal information. It will also

set out how businesses, organizations and government can legitimately collect and use personal information.

In a parallel development, the Government will work with the private sector to adopt a cyber security framework for Bermuda. Protecting the Island's digital infrastructure is a national priority given its growing importance in daily life. Government, businesses and organizations depend on the Internet and Information Technologies for communications and for managing their operations. A cybersecurity framework can be used to help protect and defend their systems against cyber threats and protect the interests of everyday Bermudians.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

To stay competitive and uphold the Island's reputation as an offshore business leader, Bermuda must continue to monitor its legal framework and, when necessary, take steps to amend or adopt new legislation.

The Ministry of Economic Development will therefore advance the following legislative initiatives:

- New amendments to partnership laws will provide greater flexibility and certainty with respect to partner activities, rights and remedies, structural conversions, re-domiciliation and the impact of specified events on the continuity of partnerships.
- Legislation will be introduced to modernise Bermuda's current legal position on third party rights, giving the jurisdiction maximum flexibility to meet the needs of the market and to match similar rights already enacted in other jurisdictions.
- An amendment to the Perpetuities and Accumulations Act 2009 will authorise Bermuda Courts to remove legal restrictions on the time period for which property can be held in trust. It is anticipated that the establishment of a clear and cost-effective approach for Bermuda courts to change or eliminate certain restrictions on property held in trust will grow Bermuda's trust business along with the services required to administer them.

By improving the quality of products and services, as well as increasing the speed of delivery, the Ministry of Economic Development is working with the Bermuda Business Development Agency and the private sector to strengthen Bermuda's competitiveness worldwide, diversify its economy and contribute to the Island's economic growth and job creation.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Government will introduce an Electricity Act in this session to establish a new regulatory regime for the electricity sector.

The legislation, which will transfer regulatory responsibilities to the Regulatory Authority of Bermuda, is part of a strategic plan to allow competition in the generation of electricity and to ensure Bermuda's electricity service is environmentally sustainable, secure, reliable and affordable.

Following the Electricity Act, the Government will introduce legislation for the proper fiscal regulation of fuels. Currently, the regulation of fuels is minimal and not transparent to the consumer. The legislation is intended to facilitate the purchase of cleaner, less expensive fuels to ensure efficiency in the generation of electricity and to make sure these costs and efficiencies are reflected in consumer pricing. Better regulation can mean lower prices and help support Bermuda's goals on greenhouse gas emissions.

In furtherance of the Government's energy objectives, including the greater use of renewable sources, a competitive bidding process will be initiated for the development of a solar photovoltaic electricity generation facility at the former US Navy munitions peninsula – commonly called the “Finger” – which lies adjacent to the L.F. Wade International Airport.

The project, which will be launched in 2016, has the potential to produce 20% of Bermuda's peak demand for electricity during daylight hours.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Ministry of Economic Development will bring forward legislative amendments

in 2016 to establish the Registrar of Companies as the Competent Authority for the Island's real estate sector.

This initiative will ensure Bermuda's real estate sector is compliant with programmes recommended by the Financial Action Task Force, a 36-country body that sets standards to combat money laundering, terrorist financing and other related threats to the integrity of the international financial system. Passage of the amendments will help protect Bermuda's reputation as a first class offshore financial sector.

In 2016 the Government will bring forward comprehensive amendments to the 1976 Real Estate Agents' Licensing Act. Real estate purchases are the single most expensive transaction that most Bermudians experience in their lifetime. The legislation will ensure that brokers and agents involved in such transactions operate in a clear and fair regulatory environment that protects the public.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Following the passage of the America's Cup Act in 2015, it has become evident that certain provisions of the Customs Tariff Act need additional amendments to properly accommodate Bermuda's contractual obligations with the America's Cup Event Authority. Government will introduce amendments in early 2016 to meet these obligations.

Additional amendments will exempt the ACBDA Ltd. from paying land tax for leased land at the Royal Navy Dockyard that is used as a venue for the America's Cup. This will ensure that Government grant monies are spent on development rather than land tax.

Other initiatives will be announced later in this Parliamentary year that build upon the recently held Louis Vuitton America's Cup World Series events and help to ensure the success of Bermuda's hosting of the 2017 America's Cup.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Government of Bermuda faces persistent and significant fiscal deficits and growing debt. Despite some rationalization of expenditures over the last few years,

the projected deficit for FY2015/16 will be around \$220 million.

The situation is unsustainable. To manage it down, the Government has enacted a multi-year deficit reduction strategy that will see the budget balanced in FY2018/19.

The strategy requires continuing fiscal consolidation to bring spending into line with revenue, but the scale of the fiscal challenge is such that spending reductions alone will not break the deficit. Revenues must increase.

Government's effort to spur economic activity across the Island is one way to grow revenue; another is reform of the Island's tax system. To that end, a delegation from the Caribbean Regional Technical Assistance Centre (CARTAC), an IMF regional body, has undertaken a comprehensive review of Bermuda's tax system and its administration. Following a recent visit to the Island, CARTAC has outlined reform options in a draft report now undergoing peer review at the IMF, CARTAC and at the Ministry of Finance.

Once the report is finalised, the Finance Ministry will consult key stakeholders before decisions are made.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

While Government is focused on managing the immediate economic and fiscal challenges confronting the Island, it is also taking steps to safeguard Bermuda's financial stability and financial independence over the medium term – two objectives essential for the Island's economic security and success.

The Ministry of Finance, along with the Bermuda Monetary Authority, is putting together a framework to realise these objectives through the formation of a Financial Policy Council and a Fiscal Responsibility Panel.

The Council's mandate will be to ensure the overall coherence of financial policy for Bermuda. The role of the Panel, which has already been appointed by the Minister of Finance, is to provide independent, external reports of the Government's fiscal performance against the fiscal rules established.

The Council and the Panel will increase Bermuda's transparency and credibility with

international observers whose confidence in Bermuda's stability and reputation is vital.

The appointment of the Council is imminent. The Panel's first report is to be produced before the end of 2015.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Bermuda Monetary Authority, in keeping with its mandate to enhance Bermuda's position as a top-tier international financial centre, continues to build a regulatory framework for Bermuda that meets the highest international standards.

Regulatory oversight reviews are scheduled to assess the implementation of global standards for insurance intermediaries and asset managers. The review of asset managers will be tied to standards set by the International Organization of Securities Commission, and for insurance intermediaries to standards set by the International Association of Insurance Supervisors.

The Government will also bring forward legislation to meet international financial stability standards. The new standards stem from regulatory gaps identified in other countries during the global financial crisis when financial institutions experienced difficulties because of systemic financial stress. The legislation will focus on improvements to Bermuda's recovery and resolution framework for banks.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Pensions are the most cost-effective and reliable way to provide a large number of employees with a secure retirement. Bermuda, like most other countries, provides retired individuals with a combination of social insurance from the Contributory Pension Fund and an occupational pension from their employer. To address the challenges of an ageing population, and to ensure that workers have financial independence and security upon their retirement, the Government will conduct a review of pension arrangements to determine whether public and private pension contributions are set at appropriate levels.

Following a comprehensive review by the Pension Commission, the Government will

introduce amendments to the National Pension Scheme (Occupational Pensions) Act 1998 and Regulations. These amendments will provide for significant changes to the supervision and regulation of pension plans and their service providers.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Progress in rebuilding Bermuda's tourism industry can be seen in hotel developments moving forward across the Island. The work is creating jobs and setting the stage for Bermudian employment opportunities over the long term. Integral to this effort is the Ministry of Tourism Development and Transport's work with the recently formed Bermuda Gaming Commission to establish and develop a domestic gaming industry. To that end, the Government will introduce regulations for the administration and regulation of gaming.

The Government will also table the Tourism Investment Incentive Act in 2016 to encourage investment in hotel development and redevelopment as well as to provide incentives for tourism-related products. The new Act will replace the existing Hotel Concessions Act, bringing forward broader provisions to encourage job creation and training for Bermudian hospitality workers.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

Work to rebuild Bermuda's tourism industry extends to the taxi industry, where the Ministry of Tourism Development and Transport is working closely with local dispatching companies to create a centralised dispatching system utilizing modern technology.

The aim is to create a system that benefits the general public, dispatching companies, taxi owners and operators through the use of mobile devices to book and confirm service, expand payment methods and improve response times. The new system is to be introduced in 2016.

The Ministry of Tourism Development and Transportation has made significant progress towards the transition to a new business model for Bermuda's Aircraft and Shipping Registries. Public sector models in various jurisdictions are under review

for the adoption of a model that grows the registries, Government revenues and career development opportunities for Bermudians. The transition is scheduled to be completed before summer 2016.

The Government will introduce legislation to ban dark helmet visors. The aim of the legislation will be to minimise and ultimately eliminate the use of dark visors. A ban will help law enforcement by removing an article that has been used by criminals, sometimes in the commission of violent crime, to hide their identity. Steps for the implementation of a ban will follow consultations with stakeholders. Public safety is a Government priority and a dark visor ban will contribute to a safer, more secure Bermuda.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Government, through the Ministry of Home Affairs, will introduce amendments to the Parliamentary Elections Act 1978 to permit all registered voters studying abroad at recognised educational institutions to have the right to vote in absentia. Voting is a fundamental right in Bermuda. Absentee balloting will strengthen voter participation and contribute to the building of a more inclusive Bermuda.

Amendments to the Development and Planning Act 1974 will be introduced this session for the creation of a new enforcement regime at the Department of Planning. Specifically, the amendments will furnish the Director of Planning with new powers of enforcement, enabling more responsive and timely action against those who breach Planning control. The new powers should end the 'build it now, sort it out later' attitude and reduce court time.

The Government will introduce licensing legislation to regulate the conduct of Debt Collectors. The legislation will create a framework through which the licensing authority will exercise regulatory oversight. It will describe mandatory licensing conditions, provide for their enforcement and prohibit any person conducting debt collection business without a license. Debt Collectors will be required to comply with rules issued by the licensing authority in the conduct of debt collection.

The Ministry of Home Affairs has engaged a law reform committee to review the disparate pieces of labour-related legislation in Bermuda. The Committee's objective

is to consolidate, streamline and update labour legislation for the 21st century, and to create a user-friendly, comprehensive labour code. It is anticipated that work on the new code, now in its second year, will be completed in the summer of 2016.

Government will continue to work on fixing inequities in the Bermuda Immigration and Protection Act 1956, with public consultation preceding amendments.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

The Government, through the Ministry of Public Works, will begin to develop a National Water Strategy for the sustainable and efficient use of this vital but limited natural resource.

A feasibility study will be conducted by the Ministry to determine an economically sensible solution for the reduction of horticultural waste at the Marsh Folly facility.

The Ministry will also construct bathroom facilities at Shelley Bay Field in Hamilton Parish and White Hill Field in Sandys, two of the most widely used recreation areas in Bermuda.

The Ministry, with the support of the Ministry of Finance, will also embark on a programme to identify and dispose of surplus government real estate. Government's real estate portfolio consists of lands and buildings that are, in their totality, significantly greater than current and projected needs. This exercise will further the development toward an efficient, fit-for-purpose public estate that provides value for money in the delivery of services. Sales can also help stimulate economic activity in the local market. Money raised from the sale of assets will be placed in the Sinking Fund to pay down Government's debt. Accordingly, Government will bring forward amendments to the relevant legislation to provide for this debt reduction measure.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly

Bermudians are starting to work their way out of economic troubles that have been damaging livelihoods across the Island for far too long. Individuals and groups powered by confidence and pride in their identity as Bermudians make this 'national' effort possible. It is taking place in boardrooms, church and town hall meetings,

government offices, around the kitchen table and on social media, and it is driven by the need for Bermuda to do better. Alongside this effort, many people contribute time and effort to help those in need. It is not something particular to this day and age, but rather part of a continuum of charity, compassion and decency that lies at the heart of the Bermudian character. It is something all Bermuda should be proud of – a society of helping hands ready to assist in every way. The fabric of life is strong because the people are strong, and it is one more reason Bermudians should look with confidence to the future.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly

In addition to those legislative items already mentioned, the Legislature in this Session will be invited to consider some new statutes and amendments to a number of existing Acts, including:

The Tobacco Control Bill

The Health Insurance Amendment Bill

The Endangered Animals and Plants Amendment Bill

The Human Rights Amendment Bill

The Land Title Registration Amendment Bill

The Development and Planning Bill

The Proceeds of Crime Amendment Bill

The Criminal Code Amendment (No. 3) Bill

The Child Day Care Allowance Regulations

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly,

I am grateful again for the benign convention that allows a Governor to add some points of his own at the end of this speech, though at this stage there is little temptation to add much length.

This is likely to be my last Throne Speech. I am not yet anywhere near ready to start saying goodbye. But I am beginning to form impressions from my time here.

One is that this is a place of remarkable depth and complexity. That is one of the things that makes Bermuda such an interesting place to live and work –

and visit. Another is the excellence of so much that goes on here. Many of the things, which are really difficult challenges elsewhere, have been sorted here.

There remain difficult challenges, of course: gangs, demography, education, and issues of race among them. I believe there is room for respectful and thoughtful ways of addressing them. These are not problems unique to Bermuda. In most respects, Bermuda is better placed than others to deal with them.

My last point comes from last month's remarkable, highly efficient and widely admired organisation of the America's Cup World Series. It showed beyond doubt that Bermuda can do large-scale events well, and a week later the Tattoo showed that too. And it showed the whole community's real pleasure in having fun together. It also highlighted the enormous scope for Bermuda to tap into investment prospects and long-term growth if we can be strategic over the next two years in the context of the America's Cup. I know that this is being worked on. 2017 has the real potential of turning Bermuda's 2020 and after not just into a more prosperous place. Combined with goodwill and imagination, it also offers a prospect of helping Bermuda be a model to others of social cohesion, as well as a model for the other things it does so well.

Madame President and Members of the Senate, Mr. Speaker and Members of the House of Assembly

I declare this Session of the Legislature open; and may God guide you and grant you wisdom in your deliberations.

George Fergusson
Governor and Commander-in-Chief

Bermuda

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