

Reply to the

# BUDGET

2017/2018



# VISION

THE PEOPLE'S BUDGET

2025

[vision2025.plp.bm](http://vision2025.plp.bm)

Delivered by:

**The Hon. E. David Burt, JP, MP**

**Leader of The Opposition**

**March 3, 2017**



**PROGRESSIVE LABOUR PARTY**

## The People's Budget

### Contents

Introduction .....	3
Our Unique Challenge.....	4
Budget in Review .....	4
Where Are the Jobs?.....	6
Agenda for Growth .....	8
Tax Reform.....	8
We Are Taxing Jobs.....	8
Our Tax System Contributes to Inequality.....	9
The Way Forward.....	10
Economic Diversification Unit.....	10
Creation of a Bermuda Fund.....	11
Establishment of a Technology Incubator to Become an Intellectual Property Hub .....	11
Promoting Entrepreneurship .....	12
Growing International Business.....	12
Immigration Reform .....	13
Reducing the Cost of Government .....	13
Make Government more Efficient .....	14
Increase the Use of Technology.....	14
Performance-Based Pay for All Civil Servants .....	14
Reducing the Cost of Living.....	14
Doing the Right Thing for Bermuda's Workers.....	15
An Agenda that will Create Jobs .....	15
The America's Cup and Tourism .....	15
America's Cup .....	15
Tourism .....	16
OBA Budget Cuts Caused Record Low Numbers .....	17
Visitor Spending .....	19
The Zika Effect.....	20
Vacation Rentals .....	20

## The People's Budget

Reducing Energy Costs for Hotels.....	20
Changes to Make Bermuda's Economy Work Better for Bermudians .....	21
Transform Our Education System.....	21
Increasing Competition in Our Domestic Economy.....	22
Unregulated Monopolies and Duopolies Can Stifle Growth .....	22
More Competition for Our Banks .....	22
Conflicts Will Not Affect Our Decisions .....	22
Labour Regulation.....	23
Extended Maternity and Paternity Benefits .....	23
Create an Unemployment Insurance Scheme .....	23
Examine the Need for a Living Wage.....	23
Government to Lead the Transition to Renewable Energy .....	23
Tackling the Root Causes of Crime .....	24
Creation of Social Enterprises.....	24
Supporting Our Community Clubs.....	25
Create a Lottery to Support Our Athletes .....	25
Financial Assistance Reform .....	26
Assisting Our Seniors .....	26
Reducing the Cost of Health Care.....	26
Invest in Our Civil Infrastructure .....	27
Conclusion.....	27

### Introduction

Mr. Speaker, it is clear that an election is in the air, and that means that the voters of this country will soon have a choice to make.

After four years, the One Bermuda Alliance has a record, and no number of last-minute cabinet shuffles or sudden feigned interest in the island's less fortunate can change who they are and what they have done. The people have a clear choice. A choice between an OBA whose policies increase the divide between haves and have-nots in our society, cementing in place two Bermudas, and a PLP whose positive vision of growth, diversification and inclusion offers a clear change of course.

They will choose between an OBA that is comfortable with the economic status quo, where privilege rules, and a PLP that is determined to make Bermuda a more fair and equitable society by reducing inequality.

They will decide between an OBA that seems eternally driven by consultants, soundbites and polls while being wholly non-transparent, and a PLP that is fully committed to being honest, open and fully transparent with the people they serve.

They will decide between an OBA that will privatise our airport to a Canadian company, robbing the treasury of vital funds needed to invest in our future, and a PLP that has, for four years in opposition, spoken about the urgent need to invest in our human capital to upgrade the skills of the Bermudian labour force.

They will decide between an OBA that is led by a Premier who castigates teachers for being “mischievous” when they refuse to teach in a toxic environment, while he has his office gutted for mould remediation, and a PLP that supports our public schools and stands with our public servants.

They will choose between an OBA whose policies have ushered in the Great Bermuda Exodus, during which friends and family are fleeing Bermuda, and a PLP that is committed to ensuring that Bermudians have a place in our society.

Mr. Speaker, Bermuda's middle class needs a voice. Bermuda's entrepreneurs need a voice. Bermuda's students and teachers in public schools need a voice. Our young people, both locally and abroad, need a voice. The economic refugees who have fled Bermuda need a voice. But based on the OBA's record, that voice is not them. That voice is the PLP.

Mr. Speaker, the Progressive Labour Party will be that voice. Through our economic policies, laid out in this budget reply, what we call the *People's Budget*, we will give those who need a voice hope that after the next election they will have a Bermuda that understands their challenges, has room for them, and wants those who left to return.

### Our Unique Challenge

Mr. Speaker, our fiscal condition requires a delicate balance. However, there is another equally important issue, which is the rising inequality within our society. This rising inequality, which has seen the real wages and wealth of most working and middle class people in the country decline, while the privileged few with access to capital continue to accumulate wealth, is an issue that must be addressed.

Mr. Speaker, it is the Progressive Labour Party's view that this income inequality is one of the main items fuelling the decline of our social fabric, antisocial behaviour, gang affiliation, violence and murder. If we do not get to grips with this situation, it will continue to challenge and threaten our very way of life. Bermuda cannot be the place of choice for business if our society is not at ease and growing inequality breeds increasing instability. It is the responsibility of the government to ensure that society is harmonious, and based on that measure the OBA has been an abysmal failure.

Budgets represent the views and policies of the government, and it is clear that the government does not believe that the symptoms of increasing inequality require the attention and investment necessary to remedy the situation. All our actions must be viewed through the lens of ensuring fiscal stability while promoting social cohesion and a more inclusive society.

Mr. Speaker, it is impossible for a government to fix a problem if they do not recognise that one exists. This budget from the OBA makes it clear that they do not believe that this continuing trend of growing inequality is just as big a threat to our way of life as the national debt. The OBA's payroll tax changes are a mere fraction of what is needed to reverse this increasingly destabilising trend. The PLP's *People's Budget* will ensure that the resources required to reverse this trend are funded.

### Budget in Review

Mr. Speaker, last week the Minister of Finance delivered an election budget...a budget cynically designed to reinvent the OBA yet again. It seems the OBA wants Bermudians to forget what they did in 2013, 2014, 2015 and 2016. It seems they want us to forget about the cuts to scholarships, education, training, the Bermuda College, and programmes to assist at-risk youth. They want Bermudians to forget about the \$18 million dollars they assured us would be safe yet went missing, or the tens of millions of dollars they have spent on their friends and families through lucrative and untendered contracts. They want us to forget about the lack of investment in public education and the \$30,000 trips to Rio de Janeiro.

Now all the OBA wants to talk about is how they are cutting taxes and putting money in people's pockets.

Mr. Speaker, if it were only so simple! Though payroll taxes are going down for some, what you will not hear the OBA say is that the main rate of customs duty is going up by 25%, which will increase the price of most goods and many services. You will not see any OBA ads on Facebook saying that you will



## The People's Budget

have to pay 40% higher taxes for items brought back from overseas travel. You will not see pictures on the Premier's Instagram saying that since 2012 the OBA has increased taxes on gasoline by 49%, which will increase prices and spur inflation throughout the economy.

The OBA wants people to forget that last year they raised the employee portion of payroll tax to 6% – the highest ever – and hopes that when people go into the voting booth they will only remember the election year cut. But, Mr. Speaker, unfortunately for the OBA the Bermudian public is not that naive.

This is not only an election budget because of the “tax cut”. It is also an election budget because the minister did not want to come here and tell us that he would have to raise the debt ceiling in an election year. That is why, even after he raided \$25 million from the hospital, he still needed to raise taxes on just about everything so that he did not have to increase the debt ceiling.

Mr. Speaker, it is just not realistic. As the minister's recent history shows, his forward projections cannot be trusted. Just as this year's deficit will be \$61 million more than he predicted in 2015, next year's budget deficit will be \$36 million greater than he predicted 12 months ago. The minister who castigated the former Minister of Finance for sending unrealistic numbers to the house is doing just that, Mr. Speaker, all for the sake of politics in an election year.

Mr. Speaker, the minister has come under fire for not doing enough to reduce expenses in government. The reason why our current account does not show a reduction is that the government needs to spend \$27.5 million this year to fund the America's Cup. Furthermore, the tax increases that have business leaders calling for shared sacrifice are needed to replace the \$37 million revenue that Minister Richards shipped to Canada as part of the airport privatisation. Mr. Speaker, it is ironic that cries from those wanting more cuts in the civil service come from the very corners of Bermudian business that supported the One Bermuda Alliance's airport privatisation.

There is no such thing as a free lunch, and though the OBA had a slick public relations campaign to convince Bermudians that the privatisation of our airport would “free up funds”, everyone now feels the impact. The \$78 million tax increase and the reduced funding for health care are necessary to ensure that the OBA does not breach the debt ceiling and has enough room to fund the OBA's priority projects: the America's Cup and the airport privatisation.

And that is the point that should cause the most annoyance. The \$78 million tax increase will not affect Aecon at all, as the OBA has exempted them from taxes. So while Mr. and Mrs. Bermuda pay more to fill the \$30 million hole in our budget, courtesy of the minister's friends in Canada, Aecon gets off without paying a dime.

Mr. Speaker, Bermudians already know that this budget is nothing more than electioneering. What Bermuda needs is a *People's Budget* that will prioritise job creation and investment in Bermuda and Bermudians. While most workers will be grateful that the OBA is finally giving back what it has taken

## The People's Budget

over the last few years, to at least 1,631 Bermudians this tax cut means nothing, as there are 1,631 fewer Bermudians working today than in 2012. And that, Mr. Speaker, should be the only number that matters.

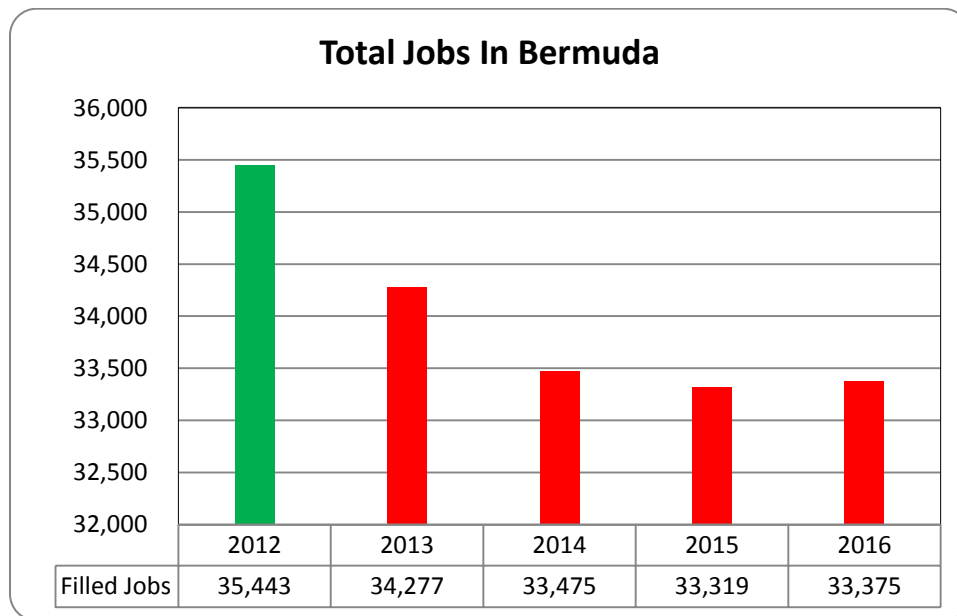
### Where Are the Jobs?

Mr. Speaker, in 2012 the Minister of Finance said the following:

*“The OBA Turnaround Plan will create 2,000 jobs over the next five years by implementing pro-growth economic policies. These 2,000 jobs will come in a range of sectors including construction, hospitality, retail, financial services and international business.”*

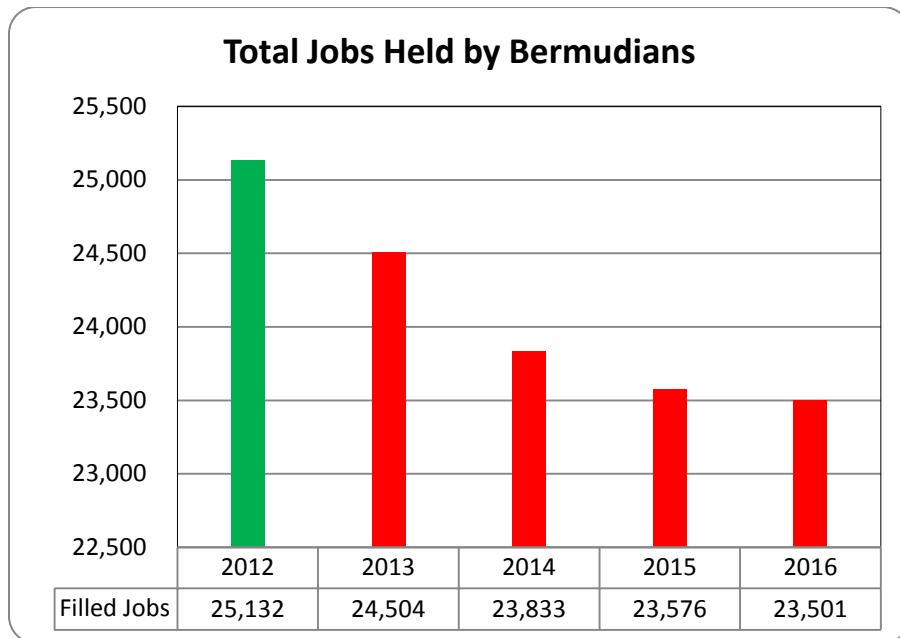
*2012 OBA Jobs & Economic Turnaround Plan*

Mr. Speaker, all I can ask is what happened to that plan? Four years later, there are 2,068 fewer jobs in Bermuda than there were in 2012.



The minister heralded the fact that a decline in jobs stopped last year and that there was an increase in the number of people working in 2016. Mr. Speaker, the only increase in jobs has been for non-Bermudians. Every year since the One Bermuda Alliance has been in office, the number of Bermudians working has fallen and there are 1,631 fewer Bermudians working than in 2012. At the same time, just like last year, the number of guest workers employed in Bermuda has increased. This is not the way to build an economy. This is not the way to rebuild the middle class. This is not the way to give hope to those looking for work.

## The People's Budget



Mr. Speaker, there is nothing more important than creating jobs in Bermuda for Bermudians, and despite all that the minster's budget did contain, the one thing missing is a plan for economic growth that will create jobs and employ Bermudians. Even the President of the Chamber of Commerce noticed the lack of plans for jobs and growth by saying:

*"One issue that was not addressed in this Budget, and which is critical to Chamber members, is the need for a national discussion on how to create more jobs in Bermuda, the need to adopt laws that make it more attractive to start or bring business on island."*

*John Wight, Chamber of Commerce President*

Mr. Speaker, the President of the Chamber of Commerce is correct. The OBA does not have a plan for jobs and lacks a plan for growth. This is not something that should come as a surprise, as repeatedly since 2013 the PLP has pleaded with the OBA to address the urgent need for economic diversification and produce a plan for growth. Each February we hear about projects that will break ground "this year" yet never materialise, or we are treated to lectures on why diversification is not an economic strategy. Meanwhile, our economy continues to fail Bermudians. After four years, it is now clear to the Chamber of Commerce that which has been clear to us all along: the OBA has no plan for jobs and growth.

Fortunately for the President of the Chamber and his members, the Progressive Labour Party does have a plan to create more jobs and make Bermuda more attractive for both local and international business.

Mr. Speaker, over the past four years, the PLP has laid out its plans for creating the growth that



## The People's Budget

Bermuda requires. They are rooted in a long-term plan – Vision 2025 – that will diversify our economy, create jobs for Bermudians, invest in our people and create pathways to Bermudian success. Most of the plans and policies you will hear today are not new: they are policies the PLP has developed through careful consultation with community and business stakeholders during our time in Opposition. A *People's Budget* will fund these priorities to ensure that we can grow our economy and create jobs.

### Agenda for Growth

Mr. Speaker, in order for Bermuda to succeed, we need to return our economy to a path of balanced growth: growth that creates jobs, growth that provides rising incomes, and growth that assists our budget challenges. It is our belief that a better environment must be created in which Bermudian businesses can thrive, opportunities for Bermudians can be created, and in which capable, qualified Bermudians can earn opportunities to work, train and succeed at every level in the private sector.

To this end, the government must do everything possible to stimulate job creation. This means we need to reduce the incentive for companies in Bermuda to outsource existing jobs, while creating a favourable environment for growth in our domestic and international sectors, which will lead to new jobs. One of the major factors hindering this growth is the cost of doing business in Bermuda.

Mr. Speaker, the PLP's Agenda for Growth will reduce the cost of doing business in Bermuda, tackle income inequality, reform our tax system, diversify our economy, create jobs in Bermuda, harness technology, promote entrepreneurship, increase our global competitiveness, make government more efficient, and design an immigration system that works for Bermuda.

### Tax Reform

Mr. Speaker, one of the most important things required for us to build a sound foundation for growth and to reduce the cost of doing business in Bermuda is the issue of tax reform. Our current system needs reform not only to reduce the cost of doing business and to encourage job growth in Bermuda, but also because our current system of taxation exacerbates inequality, which in turn reduces economic growth.

### We Are Taxing Jobs

Mr. Speaker, three years ago I said the following in this chamber:

*"It is the view of the PLP that we must transition from deriving a large chunk of our revenue from employment taxes to gaining a larger share of our revenue from consumption taxes on goods and services. Mr. Speaker, the economic case is simple: payroll taxes depress employment. We are taxing the very thing we need in Bermuda – jobs – while increasing the incentive to outsource jobs and positions."*

*PLP 2014 Budget Reply*

## The People's Budget

Mr. Speaker, our increasing reliance on payroll tax is dangerous, and the increases this year, which will mainly affect our large international companies, make future growth of jobs here in Bermuda less likely. Mr. Speaker, I do not have to tell the Minister of Finance the danger, as he said the following in 2010:

*“The rise in taxes on international companies also has its risks. Many of us will look at the impressive profits of the big reinsurers and reckon that these increases will not even be material items for them. For some that will undoubtedly be true. But for those who are weighing the decision whether to outsource a unit overseas, this fee increase, coupled with the payroll tax increase, could be the deal breaker for keeping it here. The outsourcing was already on the table because of the expense of doing business in Bermuda. These tax hikes make it even more expensive. There is no upside to these tax increases for business.”*

*United Bermuda Party 2010 Budget Reply*

Mr. Speaker, if it was true then, it is true now, and with this latest increase and another increase slated to take place next year, we must move quickly to reform our system of taxation before we tax ourselves out of being an attractive jurisdiction.

### Our Tax System Contributes to Inequality

In Bermuda, if you are privileged enough to have inherited wealth-generating passive income, you keep it without taxation. However, if you happen to be born into a family who may not have centuries of wealth or a trust portfolio of mortgage-free real estate to inherit, you pay taxes on your labour income because the only income you have is from your labour.

For example, if a person makes \$100,000 a year from their day job and another makes \$100,000 a year in trust dividends, our system taxes only the earnings from work and not the earnings from other sources. There are vast swathes of domestic wealth and income that have never been subjected to tax, which by its very construct fosters continued economic inequality.

Mr. Speaker, this is why our taxation system promotes and fuels economic inequality. This is our challenge, and this is what we, as a country, must get to grips with.

While we may look to make our taxes more just, which the One Bermuda Alliance tried to do with the payroll tax changes, the fact remains that we are taxing jobs at a higher level, which may lessen our competitive advantage as a jurisdiction and lead us into more trouble.

Quite simply, we could tax ourselves out of being an attractive jurisdiction. The OBA's tax increases place an increased burden on the job creators and the investors who have chosen to bring their capital to Bermuda and create jobs in Bermuda. At the same time, those Bermudians who enjoy the spoils of international business's continued presence in Bermuda and collect commercial rents from their properties in the City of Hamilton never see an increased burden of taxation. Tax reform and broadening the tax base cannot be effective if they are unwilling to look at taxing the passive income of the privileged persons in society.

## The People's Budget

Quite simply, Mr. Speaker, just as we said in 2013 that tinkering around the edges of an immigration system from 1956 is not enough to solve the current problems, neither is it enough to tinker around the edges of a tax system when there are wide swathes of income in our domestic economy that are not taxed. Why is it that we only tax earnings from labour but ignore earnings from other sources, often received without any labour at all?

### The Way Forward

Mr. Speaker, over the past four years, the PLP has put forward for consideration many ideas for tax reform. It is our view that we can work with all stakeholders to design a system that enhances Bermuda's global competitiveness and ensures that those who can afford to pay more do pay more. Such a major undertaking cannot, and should not, be a one-party endeavour, as substantive tax reform must have the widest possible input and all ideas must be subjected to rigorous scrutiny to avoid unintended consequences.

When the PLP is returned to government, one of our first actions will be to create a Tax Reform Commission. This commission will draw participants from both political parties, international business, local business, trade unions, hoteliers, academia and the Bermuda Bar. Its mission will be to conduct a wholesale review of our system of revenue collection and taxation, to make recommendations to parliament on revenue and tax reform and measures to increase tax compliance. Following the commission's report, the PLP government will engage in consultation and, following the completion of the consultation, publish a white paper on tax reform to be debated in parliament.

It will be our aim to complete the process of review and consultation in the first 18 months of the new parliament, so that reforms can be implemented quickly. Our *People's Budget* will fund the work of this commission to ensure Bermuda will have a fairer and more equitable tax system.

### Economic Diversification Unit

Mr. Speaker, the next PLP government will form an Economic Diversification Unit to create not only a third pillar of our economy, but a fourth and a fifth pillar. This permanent organisation will consist of a small number of persons with a proven history of developing economies. The mission of this organisation will be to identify new opportunities for economic diversification and to subject them to structured analysis and research. Once areas have been identified and agreed upon, the unit will seek partners and investment to develop the new local industry.

The Economic Diversification Unit's goal will be simple: to create one new primary industry that directly provides at least 5% of our GDP and at least two new secondary industries that each directly provide at least 2% of our GDP by the year 2025.

Mr. Speaker, our *People's Budget* will fund this focused approach to diversification that will yield results and will finally allow us to achieve our aims of diversifying the Bermudian economy.

### **Creation of a Bermuda Fund**

Mr. Speaker, if we are to create long-term economic growth, we need to use every tool at our disposal to invest in and generate economic activity in Bermuda. There is a high level of investment expertise in Bermuda, and the next PLP government will take advantage of this expertise by creating a "Bermuda Fund". This fund, which will be seeded with a small portion of the pension funds that are under the control of the government, will allow Bermuda to tap into the investment expertise on the island, while providing an additional outlet for our large pension funds to invest more of their monies in Bermuda-based equity investments.

The Bermuda Fund will not be exclusive to pension funds and other institutional investors; it will be listed on the Bermuda Stock Exchange to allow Bermudians to invest and contribute to the development of Bermuda.

This fund will have strict governance controls so that it will not be subject to political whims, and will be run for the specific purpose of generating positive returns while investing in the development of Bermuda-based businesses. The fund could invest in industries identified by the Economic Development Unit to diversify the economy. The Bermuda Fund could also be used to attract job creators to our shores while we invest in emerging global industries, such as cyber-security, FinTech, InsurTech and mobile application development.

Mr. Speaker, this is not exclusively the PLP's idea. It is one of many ideas recommended by respected members of the local business community. Similar plans in both Singapore and Ireland have delivered positive results for their economies and the PLP will advance this initiative to create jobs in Bermuda.

### **Establishment of a Technology Incubator to Become an Intellectual Property Hub**

Mr. Speaker, to grow our economy the PLP will develop a technology incubator at Southside. This will allow start-ups in the technology field that require little more than a computer and an Internet connection to use our regulatory environment while developing their new products and services in Bermuda. The vision is to transform Southside into a technology-based community with living facilities as well as an active office community.

This incubator would be a centre of excellence, and we would create a village in which people can participate together as if they are in a development centre, and share ideas in an open-source environment. Additionally, we would attempt to attract a second round of funding for operations that set up in Bermuda by offering a consistent course for well-supported Bermuda-based angel investors to grow and develop out of Bermuda. A successful technology incubator could lead to other well-established global technology companies setting up a physical presence here.

In 2010, Bermuda First recommended that Bermuda become a global centre for intellectual property. The PLP will set Bermuda on a path to becoming a domicile for managing international treaties in intellectual property and set the standards in law for the proper financial management of intellectual properties. The PLP would actively seek out stakeholder input to build a regulatory environment that sets the standards that these critical communities need. The PLP's regulatory implementation and management of these programmes would take place in Bermuda with a well-defined Mind Management and Control policy where the intellectual property would create both jobs and revenue for the Bermuda Government.

## The People's Budget

Furthermore, the PLP would create a Digital Intellectual Property Register. This would require a copy of the register to be digitally signed and the creation, or administration of the creation, to be physically domiciled in Bermuda in order for it to be considered Bermudian. The Bermuda Government would actively look to create and sign member states to this Digital Intellectual Property Register.

Bermuda must prepare for new ways to operate in a world where advanced technologies will be driving the global economy. Although Bermuda is not large enough to compete with established technology centres, we can participate in the funding and administration of these products, and become a leader as a world-class digital domicile.

Mr. Speaker, we must seek out new opportunities to ensure our future prosperity in a rapidly changing world. The PLP's *People's Budget* will invest in plans that will grow our economy and create job opportunities for Bermudians.

### Promoting Entrepreneurship

Mr. Speaker, the PLP's position is that a key path to empowerment for Bermudians lies in the expansion of entrepreneurship and the facilitation of business conducted in this jurisdiction. We have heard how government is often the biggest obstacle when it comes to Bermudians getting their businesses started. Red tape and bureaucracy have strangled far too many legitimate business concepts in the cradle, and that must end.

In 2017, it makes little sense that an entrepreneur needs to visit multiple government departments, and often must use a lawyer, in order to start a business. The PLP will make starting a local business as convenient as possible by creating a concierge service allowing first-time Bermudian entrepreneurs to handle interactions and transactions with government agencies in one place. Our *People's Budget* will promote entrepreneurship, instead of being an obstacle to business. We will:

- provide new tax relief for first-time entrepreneurs;
- reform our laws to allow greater freedom for peddlers and vendors;
- expand access to foreign capital for first-time business owners through relaxation of the 60/40 Rule; and
- increase the guarantee capacity of the Bermuda Economic Development Corporation, enabling new small business owners with credible business plans to access the capital they need to create jobs for themselves and others.

### Growing International Business

Mr. Speaker, international business is the primary pillar of our economy, creating direct and indirect employment. While it is a priority that we diversify our economy, our competitors and threats to international business cannot be ignored. We will continue to protect and grow international business in collaboration with industry stakeholders through the ongoing review and modernisation of our business legislation, enabling the introduction of new products to the market in order to keep Bermuda ahead of our competitors.

## The People's Budget

The PLP will strengthen our international advocacy to protect our reputation in a time of global uncertainty caused by the United Kingdom's exit from the European Union and the Trump Administration. During this period of uncertainty, we cannot support the OBA's plans to close Bermuda's DC office. The Progressive Labour Party will keep this office open to ensure that Bermuda's interests are consistently represented in the corridors of power in Washington.

The PLP recognises the threats to our vital international business sector that have arisen, but we also understand that change can bring opportunity. We are not certain what the future will hold, but the PLP will form a government that will work in close partnership with our industry partners to protect our turf and aggressively pursue new opportunities.

### Immigration Reform

Mr. Speaker, the Progressive Labour Party has supported a bipartisan approach to immigration reform since 2013. Any unilateral approach to immigration reform must be avoided, as such reform must be collaborative and it must be comprehensive.

The next PLP government will undertake comprehensive and bipartisan immigration reform and will do so under the following clear principles:

- Bermudians must come first in their country.
- Policies will be developed through dialogue with the business community to ensure immigration policy and developing our economy move in tandem.
- We will have clear policies to protect vulnerable guest workers from employer abuse and to sanction abusing employers.
- Policies must recognise that the needs of local business are separate and distinct from the needs of international business.

Mr. Speaker, the PLP will exercise leadership to make changes to our immigration system that improve our competitiveness and promote social harmony. We will work together to fix the problems for those who know no other home but Bermuda, yet have no legalised right to permanent abode here. We will work together to ensure that we can attract persons to our shores who are willing to invest and bring jobs to Bermuda. We will work together to ensure that those who have contributed to the betterment of Bermuda can continue to stay in Bermuda to help make our island a better place.

### Reducing the Cost of Government

Mr. Speaker, over the past four years we have spoken extensively on the issue of civil service reform. We have spoken about the need to focus on making the civil service more efficient, rather than the need to reduce overall expenditure without paying attention to efficiency. A more efficient civil service will boost productivity and contribute to increased economic growth.



## The People's Budget

### Make Government more Efficient

Across-the-board cuts do not tackle inefficiency, which is the core of the problem, and they often reduce productive investment. This means that making cuts without focusing on efficiencies can make our budget problems worse. A recent example of this was the OBA's ill-fated and short-lived tourism cuts, which reduced productive investment in tourism and led to a 49-year low in air arrivals.

Instead of cuts for cuts' sake, the PLP will focus on making the civil service more efficient, via technology, departmental reviews and effective human resource management. We will also implement some of the recommendations in the SAGE report regarding consolidation of government departments and ministries.

Our *People's Budget* will fund efficiency teams that will assess every aspect of government, with a view to eliminating duplication of services and enhancing service delivery. Any employee in a position affected by an efficiency review will be retrained for another position in the civil service and will not lose any pay or benefits.

### Increase the Use of Technology

Additionally, the *People's Budget* will fund an extensive review of the technology used within the government and will fund investments to make the government more efficient and more responsive to both internal and external users via technology. There are still too many government systems that do not interface with one another and too many government departments using manual processes. Investments to improve system connectivity will improve service delivery and reduce opportunities for fraud and abuse.

### Performance-Based Pay for All Civil Servants

Previously, the PLP has called for performance-based pay for senior managers to incentivise and reward managers for increasing department revenues, reducing department expenses, and increasing the performance and efficiency of a government department or ministry. After consultation with the Bermuda Trade Union Congress, we have modified this proposal so that it better reflects the responsibilities of the civil service. The PLP will extend this proposal to cover all civil servants in a department, as all workers should be rewarded for meeting efficiency targets within a government department. Managers cannot do it alone, and increased efficiency will be a civil service-wide, department-by-department effort.

### Reducing the Cost of Living

Mr. Speaker, the cost of living is the primary concern among our people and is the reason why many Bermudians leave to live overseas, as it is just too expensive for them to lead a comfortable life in Bermuda. Quality of life should matter. For many in Bermuda, however, doing two jobs is the norm just to stay afloat. This should not be the case, and we therefore have to construct an economy where a parent only needs one job in order to raise their family, not two or, even in some cases, three jobs.

## The People's Budget

The next Progressive Labour Party government will focus its efforts on attacking Bermuda's cost of living problem. Our policies must reduce the cost of living across all areas — including health care, housing, food and electricity — to ensure that Bermuda is affordable. Our *People's Budget* will ensure that this urgent issue is addressed.

### Doing the Right Thing for Bermuda's Workers

Mr. Speaker, the PLP was created by and for workers. We are encouraged by the foundation that was laid by labour stalwarts of our past. The PLP and the country's trade unions are critical parts of Bermuda's labour movement. We are a labour party, and our roots demand that we are the political voice of labour, the guardian of labour rights in the Legislature and the champion of the causes of the hard-working men and women all of our unions represent.

The government's role is not simply to create an environment where businesses have the opportunity to open and be profitable: we must also protect Bermudian workers and ensure that the only limits to Bermudian success in the workforce are the ones we place on ourselves.

To create a fairer, more inclusive workforce, the PLP will do two things:

1. Remove the structural imbalances that make employing foreign labour more cost-effective than employing Bermudians, by requiring employers to provide occupational pensions for employees on work permits, who are currently exempt from the requirement.
2. Complete a comprehensive examination of the social insurance programme, including the impact of changing employer and employee contributions from a fixed rate to a percentage of earnings, and the appropriate level for the cap on social insurance contributions. The objective of the review will be to increase the take-home pay of low earners.

### An Agenda that will Create Jobs

Mr. Speaker, our *People's Budget* will fund the investment where it is most needed, in an Agenda for Growth that will protect our international reputation, seek out new opportunities, diversify our economy and create jobs here in Bermuda.

### The America's Cup and Tourism

Mr. Speaker, given that I have reviewed the PLP's Agenda for Growth, I will move on to more topical matters of the America's Cup and tourism.

#### America's Cup

Mr. Speaker, a few weeks ago we were chastised for telling Bermudians the truth about how much the America's Cup will cost taxpayers. In the latest budget, the estimated direct cost is \$71 million, and that does not include the expense of the land reclamation at Cross Island.

Mr. Speaker, the America's Cup is a good thing for Bermuda. It is a significant series of events that will provide some benefit to the island. Where we take issue with the event is the One Bermuda Alliance's consistent refusal to acknowledge the event for what it has been and what it is: an event that appeals

## The People's Budget

to a narrow segment of society. The numbers, in terms of both the ratings and the ages of those who follow the sport, demonstrate that this is an event for what was Bermuda, not for what is Bermuda and certainly not for what we hope to become.

Mr. Speaker, while the BTA speaks of the future, youth and vibrancy, the OBA clings to an ethos that matches its Mid Ocean Club comfort zone. And so to shore up the lagging sponsorship deals that were promised and to create a buzz that the event cannot generate on its own, the people of Bermuda are treated to a campaign that makes their attendance and support of this tourism-generating event critical to its success. Mr. Speaker, if the America's Cup is everything the One Bermuda Alliance says it is, why then is it the most heavily subsidised event in the island's history and why is it unable to draw international sponsorship to capitalise on its supposed allure? Its inability to attract sponsorship means that Bermuda will be paying 80% or \$20 million of the \$25 million sponsorship guarantee.

Mr. Speaker, the America's Cup will create economic activity, but that activity comes at a cost of \$71 million. That price tag is certain to rise as the cost of \$12 million for buses, ferries, security and emergency expenses is not fully captured in those figures.

However, Mr. Speaker, let us also be clear about what the America's Cup is not: the America's Cup is not a long-term plan for jobs; the America's Cup is not a long-term plan for economic growth; the America's Cup will not solve the problems of our education system; and the America's Cup will not make the social changes required to reverse the trend of black men gunning each other down.

Mr. Speaker, it will be a great big party and many residents will visit luxury yachts, sip mimosas at sunrise and snap selfies with members of the royal family. The real question is what happens when the competition is over. What happens to the temporary jobs and the people who no longer have work? Our schools will still be underfunded, our people will still require the upgrading of their skills, our seniors will still be struggling and our country will still experience inequality of opportunity.

Yes, the America's Cup is many things, but what it is not is something that will solve the problems in our society that urgently need solving. Bermuda needs a government that can give urgent attention not only to hosting events like the America's Cup, but to the items within our society that require fixing and healing in order to ensure that we have long-term sustained and balanced economic growth.

## Tourism

Mr. Speaker, last week the minister spoke about "Bermuda's tourism turnaround". Before I take some time to add context to the numbers, I want to be sure that I give a measure of praise to the team at the Bermuda Tourism Authority. They are composed of a large number of Bermudians who are passionate about Bermuda and improving tourism. Their work is vital to our success as a country and the quality of their work has been recognised internationally; for that they should be applauded.

## The People's Budget

That being said, no organisation funded by the taxpayer should be free from criticism. When revisionist history is given and used for political purposes in an election year to imply that all is well in tourism, it is important that the bluster is put into its proper context.

### OBA Budget Cuts Caused Record Low Numbers

Mr. Speaker, you will recall that in 2014 and 2015 Bermuda recorded its lowest levels of air visitor arrivals in 48 and 49 years respectively. That, Mr. Speaker, is the OBA's record in tourism and it cannot be disputed for all the spin regarding 2016. Bermuda's worst tourism performances since 1966 happened under the OBA. We must ask why that happened and what lessons we can learn. The blame for those record lows lies squarely at the feet of the One Bermuda Alliance. The OBA, in its unwise zeal to trim expenditure, no matter the benefit it may have provided, reduced a major productive investment that supports tourism. The OBA's desire to "eliminate" minimum revenue guarantees (MRG) caused our record low air arrival figures.

Mr. Speaker, below are two quotes that demonstrate what was a deliberate policy of the OBA:

*"We do not have the money to provide those minimum revenue guarantees."*

*Former Minister Shawn Crockwell – 29 May, 2015*

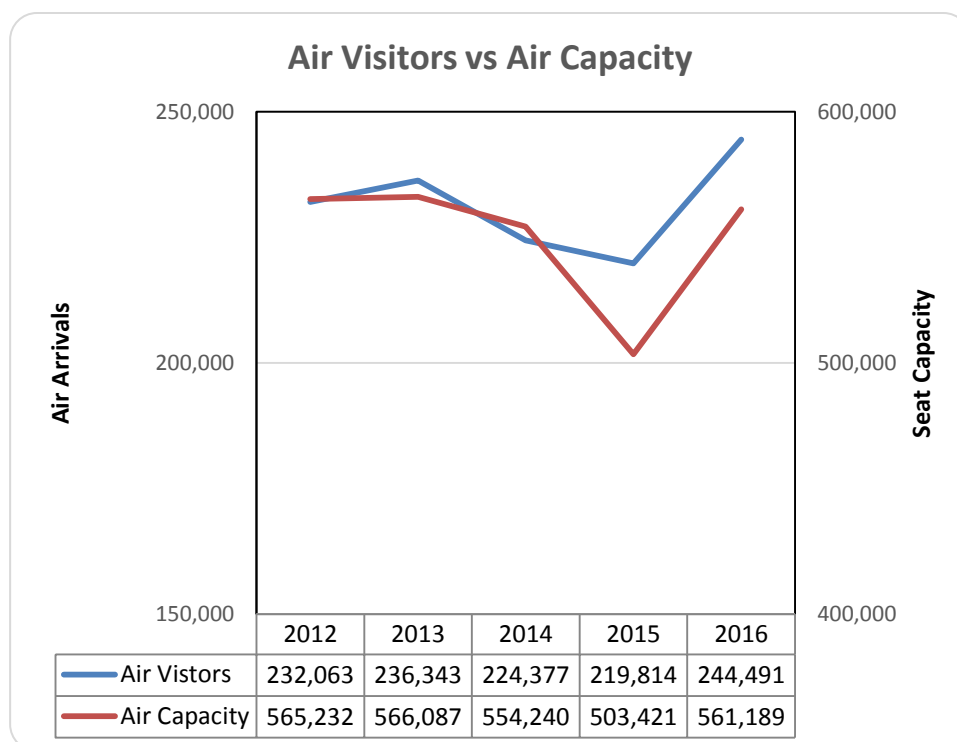
*"This reduction is in keeping with this Government's objective to minimise or outright eliminate the use of such agreements for any one service."*

*Minister Grant Gibbons – 21 March, 2016*

Mr. Speaker, the OBA came into office and cut these guarantees, which reduced the airlift to Bermuda and led to a 48 and 49-year low in air arrivals. Upon realising the error of their ways, they then went cap in hand to the airlines to increase airlift. Last week, the minister said the following:

*"A vital component of this development is the work by the BTA, with the support of the Government, to increase airlift to the island, a critical bridge to growing visitor arrivals. The results to date are impressive, with 11% growth in air capacity in 2016."*

Mr. Speaker, the OBA is running ads on Facebook hailing this 11% increase, but guess what: the increase does not even return Bermuda to the air capacity levels of when the OBA became the government. As the chart below shows, air capacity was 565,232 in 2012 and 561,189 in 2013, while 2015 saw air capacity plummet to 503,421, which was a direct result of the OBA's short-sightedness.

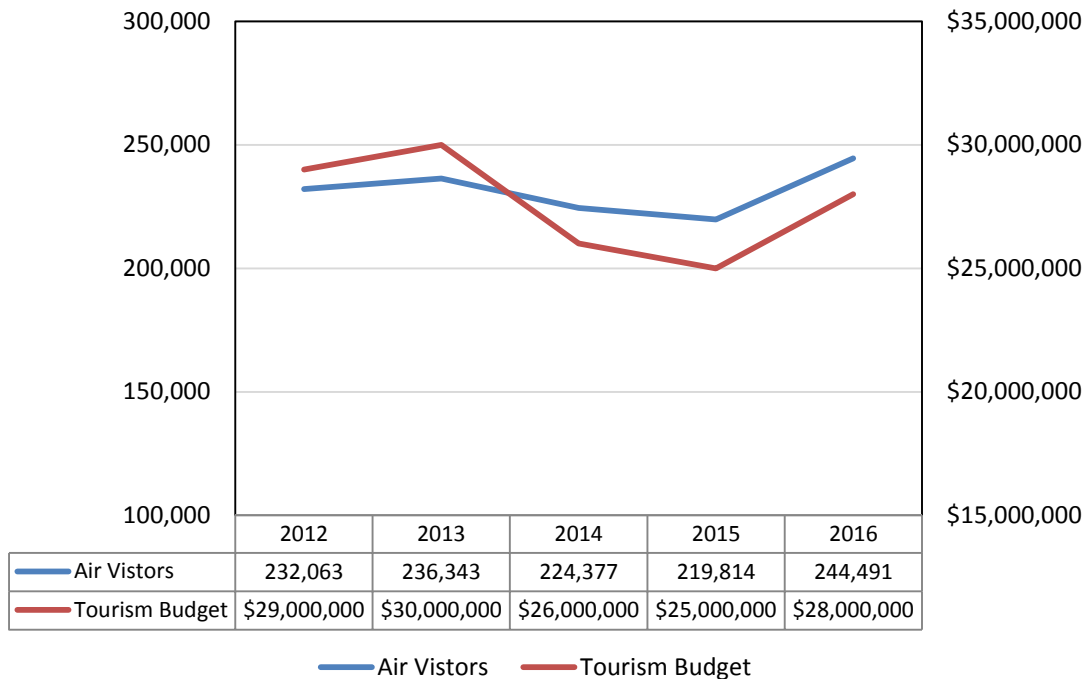


The OBA speaks about the airlift increase in 2016, hoping that no one would realise that the jump only restored the drop experienced under the OBA as a result of their policies.

Mr. Speaker, to compound the issue of falling capacity, the OBA also reduced the amount of money that we invested in tourism, so that 2014 and 2015 were also record lows in tourism investment. Mr. Speaker, if you reduce the amount of money that you invest in tourism and if you reduce the number of air seats to the island, you should not be surprised by the resulting 48 and 49-year lows in air arrivals.

In 2016, when you follow the advice of the PLP and increase the country's investment in tourism marketing and you do what is necessary to secure additional airlift to Bermuda, you return to the level of tourism that was seen before your ill-advised cuts and actions. Mr. Speaker, with a record like that, I think the OBA's victory lap should be more muted. The fact is that there is a lot more work to do in tourism, which requires a government that recognises that investment and tourism are important for our country's future.

### Air Visitors vs Tourism Budget



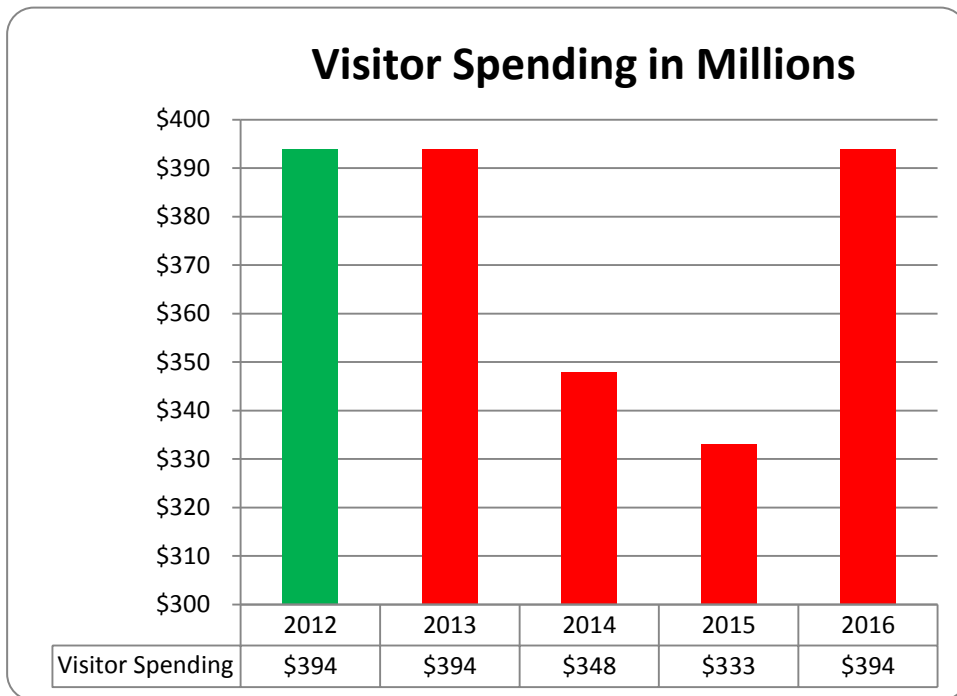
The OBA talks about the importance of tourism, but it was not until last year that they made the investment required to grow our tourism industry. The BTA deserves full credit for turning that increased investment into improved 2016 results. However, our air capacity and our investment in tourism should never have been cut in the first place, and the only reason that happened was due to the short-sighted actions of the One Bermuda Alliance government.

### Visitor Spending

Mr. Speaker, the results from 2016 are encouraging. However, they must also be put into the context of the most important metric, which is visitor spending. Although the island saw 12,000 more air visitors in 2016 than in 2013, and 32,000 more cruise visitors, estimated visitor spending was \$394 million in both years, meaning that in real terms visitor spending declined. This means that visitors who came to the island in 2016 spent less on average. This makes sense because of the increasing number of sports teams visiting the island from colleges and universities, who will not have the amount of disposable income that other persons may have had. However, it is important to put any tourism improvement into the proper context. We are encouraged that the government has again decided to provide more investment in growing our tourism industry; we only wish that they would have heeded our advice and acted sooner.



## The People's Budget



### The Zika Effect

Mr. Speaker, the BTA is heralded for their work in attracting younger visitors. However, this increase in visitors of childbearing age coincides with the Zika epidemic, which has seen many travellers seek Zika-free destinations. Mr. Speaker, many people who work in the tourism industry understand that one of the factors contributing to our increased performance in 2016 was the Zika virus. Bermuda has been fortunate to capitalise on this, but it is important that we do not rest on our laurels and that we continue to exploit this advantage.

### Vacation Rentals

Mr. Speaker, the Progressive Labour Party is on record as supporting further development of the vacation rental industry. At a recent PLP town hall event, there was standing room only as Bermudians were eager to learn more about this opportunity. The PLP will embrace this segment of our product and put in place smart regulation to ensure that there is minimal regulation while ensuring that travellers are safe. The PLP will advance this segment of our tourism economy but we must also realise that it is challenging for our traditional hoteliers to remain competitive due to the cost of doing business in Bermuda.

### Reducing Energy Costs for Hotels

One of the main drivers for hotels is the cost of energy, and last year the government raised the special rates of duty applied to hotels and to BELCO, which raised the effective tax rate on hotels by 53%. The PLP will reverse this increase, as our hoteliers require cooperation from the government to ensure that they can remain competitive.

### Changes to Make Bermuda's Economy Work Better for Bermudians

Mr. Speaker, I will now cover some items – many proposed previously – that the next Progressive Labour Party government will implement to build an economy that works better for Bermudians.

#### **Transform Our Education System**

Mr. Speaker, the next PLP government will ensure that the education of our future leaders is a priority. Unlike the OBA, we will not pay lip service to our students while reducing our investments in public education. Our *People's Budget* will make public education a priority, and ensure it is the first choice for Bermudian taxpayers. We will phase out middle schools, and implement a curriculum with an increased focus on science, technology, engineering and maths. In collaboration with educators, the Bermuda Union of Teachers, parents and community stakeholders, the PLP will reshape our school system with one better suited to the needs of our youth and the wider community. A key initiative of the PLP's reforms will be the development of "Signature Schools" at the secondary school level, focusing on the learning styles and interests of our children, including academic, technical, arts, business, sports and special needs education.

We will also invest in technology to ensure our students are sufficiently prepared for postgraduate education and/or employment in a future when technological ignorance will be a barrier to success.

Mr. Speaker, there can be no better gift to Bermuda's middle class than a public education system to which our parents are confident in entrusting the education of their children. The PLP will re-establish public education as the primary and best option for Bermudians, and I look forward to sending my children to a school that is part of a vibrant and reformed public education system preparing our future leaders for a rapidly changing world.

The *People's Budget* will improve access to the Bermuda College by providing discounted tuition for students in need. The PLP will also provide childcare services for working parents who would like to upgrade their skills via continuing education. We will invest to enhance the relevance of the education provided by Bermuda College and we will work in cooperation with the college to promote local mobile application development. This practical work will provide real-world experience for our students, and will benefit the college as the applications developed can be licensed to other governments worldwide.

#### **Upgrading the Skills of Bermuda's Labour Force**

Mr. Speaker, a solid workforce development plan is critical to our long-term prospects for broad-based and inclusive economic growth. The PLP will increase funding available for training and retraining, to ensure that Bermudians are ready for the jobs of today and the jobs of tomorrow. By pursuing partnerships with private industry partners to help identify their employment needs and the skills needed for future employment, we can ensure our efforts to fund training and retraining will be most effective.

## **The People's Budget**

Government departments will be required to develop training and succession programmes for roles considered key to the running of the government. These plans will be used to develop long-term training plans and will be readily available to any persons wishing to view them and see what is required to enter those fields of employment.

The next PLP government will set up a national skills registry through the Department of Workforce Development to ensure that we are aware of the skills that are available here on the island. Additionally, this register should also track the skills of Bermudians who may currently be off the island but looking for an opportunity to return home. To protect Bermudian employment further, national certification for fields such as plumbing, carpentry and tiling will be introduced.

Our *People's Budget* will increase the teaching of technology in our schools and ensure that our schools are equipped with the latest technology and all have wireless networks. Additionally, we will allow for flexibility in apprenticeship programmes so that they can be introduced at younger ages.

### **Increasing Competition in Our Domestic Economy**

Mr. Speaker, one of the things that government must do is to enhance competition here in Bermuda.

#### **Unregulated Monopolies and Duopolies Can Stifle Growth**

Recent years have seen consolidation take place in a number of local industries, which has reduced competition. Government and regulators must do their part to ensure that traders are acting fairly and that consumers are not being disadvantaged. Economic growth should not be disadvantaged by virtual monopolies and actual duopolies in our society. Without effective regulation that promotes competition, consumers suffer, which reduces the potential for economic growth. The PLP will ensure that there is adequate and fair competition inside our local markets, and will take action to ensure that our markets are competitive.

#### **More Competition for Our Banks**

Mr. Speaker, it is also important that we provide additional competition in our domestic banking sector. The PLP will accomplish this by amending the Credit Union Act, allowing Bermuda's only credit union to carry on business with members of affiliated unions and not just members of the BIU. This action, which is similar to actions that were taken with credit unions in the United States in 1990, will enable the BIU credit union to expand its base of depositors and also provide more competition for our local banking sector.

The next PLP government will explore creative ways to work with banks to see if we can reduce interest rates on mortgages, which are putting pressure on Bermuda's middle class.

#### **Conflicts Will Not Affect Our Decisions**

Mr. Speaker, there is one thing that the people can be confident about when it comes to the Progressive Labour Party and promoting competition inside our local economy. On this side of the

## **The People's Budget**

aisle, we do not have any entrenched economic interest to protect, so our decisions will not be based on what is best for our trust portfolio going forward. Our decisions will be based on what can best promote competition and lower prices in order to grow our economy. For far too long, decisions have been influenced by what the results may be for those persons who hold intergenerational wealth and privilege. The next Progressive Labour Party government will ensure that the decisions we make benefit the greater good and do not just continue to protect the wealth of the privileged few.

### **Labour Regulation**

Mr. Speaker, as we look to build an economy that works better for Bermudians, we must modernise our system of labour regulation. Labour is an important component of our economy, and 17 years after the landmark Employment Act enacted by the PLP, this Act must be updated to ensure that we continue to protect the rights of workers.

### **Extended Maternity and Paternity Benefits**

The Employment Act guaranteed all mothers eight weeks of paid maternity leave. The next PLP government will re-examine what we have done and look to extend that leave to 13 paid weeks, while also making allowances for paternity leave. The next PLP government will consult widely on this proposal; however, we will ensure that the duration of paid leave is extended so that mothers and fathers will have more time to bond with new additions to their families.

### **Create an Unemployment Insurance Scheme**

Additionally, the Progressive Labour Party will introduce legislation to provide for unemployment insurance. As the past few years have demonstrated, unemployment can inflict great stress on our citizens and their families. One of the ways to reduce any future drain on financial assistance and provide additional security to workers is to introduce a scheme of unemployment insurance, which will ensure that workers between jobs are not forced to go to the government for financial assistance.

### **Examine the Need for a Living Wage**

Mr. Speaker, it is also important that the government ensures that persons who are employed full-time earn a wage that keeps them out of poverty. That is one of the reasons why the Progressive Labour Party pushed for a Joint Select Committee to examine the issue of a living wage. We look forward to reporting on this committee's work, as it is essential that as a country we ensure that workers can live in dignity and are not working simply to remain in poverty. Work must pay and the PLP will ensure that work does pay.

### **Government to Lead the Transition to Renewable Energy**

Mr. Speaker, Bermuda must make the investments required to promote a clean and renewable energy infrastructure. The *People's Budget* will provide for investments in renewable energy to jump-start the renewable energy economy in Bermuda. We have called for the installation of renewable

## The People's Budget

energy infrastructure in government buildings and for energy audits. The PLP will also commence the process of converting the government fleet to electric and hybrid vehicles.

The *People's Budget* will ensure that these investments are funded, as they will create jobs and lead to reduced expenses in the future, which will help reduce our debt.

### Tackling the Root Causes of Crime

Mr. Speaker, as you know, I recently travelled to Toronto to bury my nephew who was murdered by bullets from a gun. The pain that was felt in my family is a pain that has been felt by far too many Bermudian families and Bermudians young and old over the past 10 years. However, as a society we must question whether we view this as serious, because due to our actions and our lack of resources it seems as though we do not care to address the root causes of these challenges. As I said last year, Mr. Speaker, it does not matter how many CCTV cameras we put up around the country. If we do not tackle the root causes of the instability of our community, we will not solve our problems. This is not a PLP or an OBA issue, as we have both failed in addressing the root causes of these challenges. Our *People's Budget* will assign the resources necessary to address the root causes, to provide counselling and intervention, and to provide opportunities for our young people to excel in the traditional economy. It is the PLP's view that this issue is just as important as balancing the National Budget, and we will leave no stone unturned in our quest to reverse the trend and restore harmony to our society. We are not under any illusion that it will be easy, but our commitment stems from that pain that we share and the desire to ensure that fewer Bermudians experience that pain felt by so many.

### Creation of Social Enterprises

Mr. Speaker, the PLP will take action to ensure that employment is created for those in our society who are deemed unemployable. Our *People's Budget* will provide funding to jump-start social enterprises and promote social entrepreneurship. This is a movement of which we have only recently become aware. However, we have examined what social enterprises have achieved in various places around the world and believe it could be a powerful tool in delivering skills and providing employment for the many young black males who are currently dislocated from Bermuda's economy.

The concept of a social enterprise is defined by the European Commission as follows:

*"Social enterprises contribute to smart growth by responding with social innovation to needs that have not yet been met; they create sustainable growth by taking into account their environmental impact and by their long-term vision; they are at the heart of inclusive growth due to their emphasis on people and social cohesion. In other words, their key aim is to effect social and economic transformation."*

## The People's Budget

Mr. Speaker, our *People's Budget* will provide the funding to ensure that social enterprises become a reality within the first year of our term in office. Social enterprises exist to serve a social purpose and conduct commercial operations in order to fulfil that objective. For some enterprises, their very existence is to provide employment and is summed up in this quote: “We do not hire homies to bake bread, we bake bread so that we can hire homies.”

Some government departments are already considered social employers. Social enterprises will ensure that more organisations in our society can participate in relieving the issues of economic dislocation that disproportionately affect the black community.

There are many gaps that such enterprises could fill. One such example would be a social enterprise that is geared to installing solar hot water heaters on the homes of seniors who are on financial assistance, in order to reduce their ongoing electricity bills. This type of work will provide employment and skills training to young people and would meet an objective of the government to reduce the long-term costs of financial assistance.

Social enterprises will require a unique set of legislation to set up their governance and enable them to function in such a manner that they do not exist to generate a profit, but can return a limited return to any corporate investor.

### Supporting Our Community Clubs

In addition to social enterprises, we must recognise that many of our community clubs suffer from a lack of investment and are struggling to ensure that they can remain relevant in 2017. Our *People's Budget* will ensure that in return for verified management controls, we extend guarantees to community clubs for renovations of their facilities in order to make them self-sufficient. Mr. Speaker, you and I come from a proud history of community clubs but we recognise the challenges that those clubs face in today's Bermuda. If we as a country can extend government guarantees to a private hotel development over which we have no control, then surely we can extend guarantees for the upgrading of our country's social infrastructure to assist in tackling antisocial behaviour.

### Create a Lottery to Support Our Athletes

Our *People's Budget* will also create a local lottery, which will benefit sports development on the island. We have recently been heartened by the exploits of our young men and women around the globe and it is important that we are able to invest in the hopes and dreams of the next generation by providing sufficient resources to advance their skills. A lottery that is dedicated to sports funding around the country will be a good step in this regard and will be something that the Progressive Labour Party will implement within the first two years of their next term.



## The People's Budget

### Financial Assistance Reform

No social reform can be complete without reviews of the way that financial assistance works. The Progressive Labour Party will complete a top-to-bottom reform of this system to ensure that it accomplishes three simple goals:

- It increases the skills of the able-bodied unemployed who are on financial assistance.
- It rewards people in work and does not penalise them for taking a part-time position.
- It accomplishes the goal of moving persons into full-time employment.

We must also recognise that our financial assistance budgets are large due to the vast number of seniors who cannot afford the cost of living in Bermuda and who have exhausted their savings. This is why we must create efficiencies within the Department of Financial Assistance and in other government departments to better utilise the resources given to seniors.

### Assisting Our Seniors

Mr. Speaker, every government has the responsibility to ensure that its senior population enjoys a quality of life that reflects the value we place on them as citizens. We must do a better job of caring for seniors and ensuring that our seniors can live out their lives in dignity. Our *People's Budget* will provide incentives to spur the private sector to construct residential communities for seniors, providing them with options for their golden years.

The dilemma where many of our seniors are land-rich but cash-poor must be overcome. Though we are not promoting or endorsing reverse mortgages, we must be creative to find ways for seniors wishing to move to a residential community to leverage their assets to secure placement in long-term care facilities in an environment where they are comfortable and can receive the care they need.

The *People's Budget* will means-test benefits for seniors and eliminate existing government fees for seniors in need.

### Reducing the Cost of Health Care

Mr. Speaker, the cost of health care is a major expense for the government and private employers which reduces our global competitiveness. As a country, we must work to reduce these costs, which will lead to savings that will promote economic growth. We must also take action as a community to reduce habits that lead to the high incidence of chronic disease in Bermuda. Our *People's Budget* will fund the following programmes to promote a healthier society, which will lead to reduced health care costs:

- Implement a sugar tax, with the revenue derived to be used for health education and early intervention.

## The People's Budget

- Increase community health education and require nutritional information to be published in local restaurants.
- Increase competition in the local insurance market. Competition drives down costs so the consumer is the beneficiary.
- Mandate insurance companies to include coverage for established complementary and alternative medical services such as, but not exclusively, traditional Chinese medicine, homeopathy, mind–body stress management, kinesiology and naturopathy.
- Promote medical tourism to increase utilisation of our new health care facilities that provide cutting-edge treatments approved in the UK but not yet available in the United States. Increased use of our facilities can lead to reduced costs.
- Implement incentives for businesses that offer staff wellness programmes and healthy living initiatives.

## Invest in Our Civil Infrastructure

Mr. Speaker, a vision for the future must take into account the requirement to invest in our civil infrastructure. As our *People's Budget* succeeds in growing our economy, we must also prepare our infrastructure for more people living and working in Bermuda. This means that we have to make proactive investments to widen our roads at traffic chokepoints to prevent the congestion that we saw before the financial crisis, and improve sightlines to reduce accidents.

It is essential that we revise and implement the National Infrastructure Strategy Plan, which identifies important improvements and repairs to our infrastructure that will not only enhance our overall quality of life, but create business opportunities for construction companies and jobs for Bermudian construction workers.

## Conclusion

Mr. Speaker, in 2012 the One Bermuda Alliance was elected on a platform of growing our economy and creating 2,000 jobs. Fifty months after that election, Bermuda has 2,068 fewer jobs and we have experienced an unprecedented exodus of Bermudians fleeing a country in which they can no longer afford to live. Incomes are falling, costs are rising, businesses are closing, our schools are crumbling, our seniors are struggling, and our people are losing hope.

Last week the Minister of Finance said that he and his party are the safe hands that Bermuda needs. Mr. Speaker, if this is the economy that his safe hands deliver, I am sure that most Bermudians are searching for a new set of hands.

Mr Speaker, these last 50 months have also seen unprecedented social upheaval that has raised tensions in our country to levels not seen in my lifetime. Our lack of social cohesion is the result of a government that does not consult, is arrogant in its actions, lacks transparency and seems to put the interests of those outside Bermuda ahead of our children.

## The People's Budget

Last week the minister said, "Government wants to help these families and individuals, but there is very little room to manoeuvre, given the intense pressures created by deficits and debt." At the same time, the people he wants to "help" were treated to a budget that raises taxes by \$78 million to fund his airport privatisation and the America's Cup.

Mr. Speaker, the OBA's priorities are not the priorities needed to grow our economy and restore social stability. What Bermuda requires is a different vision, one that prioritises stability, collaboration, cooperation and inclusion. A vision that recognises that the by-products of a history of colonialism and structural racism that continue to permeate our society cannot be solved by mere words, but require concrete action.

Mr. Speaker, we are not competing with the One Bermuda Alliance to see who can be the best managers of the status quo. Why? Because that status quo has failed the majority of the people in this country! Bermudians black and white, young and old, gay and straight, able-bodied and disabled are struggling under the weight of a system that is not working for them and their families.

Mr. Speaker, today the Progressive Labour Party has delivered a vision for the future and a concrete plan for economic growth that is the by-product of extensive consultation with members of our party and our local and international business community. Our plan will balance our budget, increase employment, educate our citizens, heal our social fabric, rebuild our infrastructure, make government more responsive, and reduce structural inequality.

Mr. Speaker, it seems that the final months of the OBA's time in office will be dark days. Although the Premier puts on a public face of respect for all, his Cabinet is engaged in a divisive and nasty campaign of character assassination at a time when our country should be uniting to tackle the challenges facing us.

Mr. Speaker, Bermudians are tired of fighting, they are tired of bickering and they are tired of our division. They do not want an election campaign based on smears, innuendo and gossip. They want an election campaign based on ideas that inspire the best of Bermuda and engender a sense of unity with optimism for the future.

Mr. Speaker, through its actions and its inactions, the OBA has proven that it is incapable of uniting this country and Bermuda will not succeed unless we are united. Bermudians deserve better. They deserve a humble government, free from entrenched interests, that is willing to engage with all stakeholders to advance our common interests. Bermuda needs a government that, through its actions, transparency, openness and honesty, will advance social cohesion, restore stability and bring unity to an island that desperately needs it.

Mr. Speaker, Former Premier Alex Scott said, "Bermuda works best when we work together." My sacred pledge to the people of Bermuda today is that after four years of reflection and growth, the Bermuda Progressive Labour Party is ready to unite our citizens, ready to restore hope, and is ready to lead Bermuda to meet the challenges of a changing world.