



2022 : 2023

# BUDGET STATEMENT

IN SUPPORT OF THE ESTIMATES  
OF REVENUE AND EXPENDITURE

**PRESENTED BY**  
THE HON. E. DAVID BURT, JP, MP  
PREMIER AND MINISTER OF FINANCE





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## Introduction

Mr. Speaker, the Bermuda of 2022 has known two years of pandemic trials. Public finances have been strained to meet the community's need for public health and economic support. Families have experienced unprecedented pressures to meet their commitments, educate their children, and combat the isolation brought about by the times in which we live.

Mr. Speaker, extraordinary measures have had to be adopted to meet the most unique challenges in a generation. In the bleakest hours, when hope has seemed in short supply, we have drawn strength from a community that has rallied to the aid of those in need, providing food, mental health support and spiritual enrichment. It has not been easy, but through our community spirit and resilience, we have overcome obstacles and disappointments in our path from the coronavirus pandemic.

Mr. Speaker, it is important to recognise that the obstacles and disappointments we have faced and continue to face are finite, and I remind us all of the words of Dr Martin Luther King, "...we must never lose infinite hope." That statement eloquently reiterates that our hope must outlast our challenges. Thus, in presenting this Statement in Support of the Estimates of Revenue & Expenditure for the Fiscal Year 2022/23, the Government is determined to restore some measure of hope to the people of Bermuda.

Mr. Speaker, "Moving Beyond the Pandemic" means more than ending the use of SafeKey or eliminating the need for large group exemptions. For the Government, moving beyond the pandemic means renewing its focus on delivering on this country's most progressive platform ever, and the budget tabled today will support that delivery.

Mr. Speaker, the Honourable Member for Pembroke South-East, the former Minister of Finance, brought to this role a unique acumen that served this country well. It is through his considerable effort, and the diligent work of Bermuda's Cabinet and Public Service Executive, that I am pleased to advise this Honourable House that this Budget is delivered having received an unqualified audit of the Consolidated Fund for the fiscal year 2020/21. Additionally, our budget performance has Bermuda's net debt lower than was forecast just last year, giving this Government the ability to provide relief to hardworking families and support struggling businesses while making investments in Bermuda's economic recovery.

Mr. Speaker, due to political rhetoric, issues can often be distorted. Given that our Westminster system has a Government and an Opposition whose job it is to critique the current Government, sometimes the facts can get lost, or at the very least, overshadowed. It is therefore more useful to rely on independent assessments from persons who have no political agenda. One such body is the Fiscal Responsibility Panel whose report for 2021 was released on Wednesday. The comments and observations included in that report will be referred to in this statement, as it is important for our country to understand what independent observers are saying about Bermuda's economy.

Mr. Speaker, in the statement that I deliver today on behalf of this Bermuda Progressive Labour Party Government, I will be frank and honest with the people of this country regarding the challenges that we face. However, my statement today will highlight the Government's commitment to support Bermuda's families by providing additional relief and continuing to fund core social programmes. The statement will highlight the economic progress achieved, a path for sustainable growth, and the need for this Government to push the envelope to ensure economic success for future generations of Bermudians.

## **Progress Made over the Last Five Years**

Mr. Speaker, the hopes of 2017 have been set back by the coronavirus pandemic, and the issues that we wished to address then are no less real and no less urgent now. However, it would be disingenuous to say that there has been no progress made on critical issues under this PLP Government.

## **A Solid History of Fiscal Management**

Mr. Speaker, history will recall that the One Bermuda Alliance, during their tenure in government, doubled Bermuda's debt from \$1.2 billion to \$2.4 billion. This significant debt increase left the Progressive Labour Party, upon returning to government in 2017, with virtually no room for further borrowing. Thus, it was anticipated by many that our new Government would be required to increase the country's debt ceiling which was, at that time, \$2.5 billion.

However, Mr. Speaker, much to the surprise of those that think the worst of the Progressive Labour Party's fiscal capabilities, we held true to our 2017 election commitments, reprioritised our spending, and not only avoided increasing the debt ceiling in 2018 but also reduced our deficit from \$182 million under the former Government to \$70 million in just the first year.

Mr. Speaker, shortly thereafter, in April 2018, the rating agency Standard & Poor's published its review of Bermuda and improved its outlook rating from stable to positive, stating that it viewed the prudent fiscal policy of the new Progressive Labour Party Government as positive. Those are not my words Mr. Speaker, they are the words of a respected, sound and unbiased credit rating agency on the performance of the Progressive Labour Party upon returning to government.

Mr. Speaker, in February 2019, this Government delivered the 2019/20 budget statement, where we projected a budgeted surplus for the first time in over 20 years. It is worth noting that after the first six months of that fiscal year, it was reported in this House, based on our projections, that we were confident we would meet our targets and achieve a modest surplus by the end of the fiscal year.

So, Mr. Speaker, this government immediately reduced our deficit, was given a positive outlook from Standard & Poor's, had us on a path to a surplus, and did not raise our debt ceiling.

However, Mr. Speaker, much of the hard work and efforts of this Government were quickly undone as later that year we received a notice of default relating to the Caroline Bay project at Morgan's Point. As a result of the default notice, the Government was required to raise the debt ceiling by borrowing \$200 million to honour an obligation that the former Government had committed us to with a guarantee that the Progressive Labour Party had vehemently opposed.

Mr. Speaker, we have spoken about the Morgan's Point guarantee on numerous occasions. However, it must be clear that the debt ceiling was not raised until we were required to honour the guarantee issued by the One Bermuda Alliance Government.

Further, Mr. Speaker, shortly thereafter, Bermuda and the world was faced with a once-in-a-century pandemic. Given the uncertainty surrounding the pandemic and the profoundly negative impact it had on our healthcare system, economy and overall way of life, the Government raised the debt ceiling to borrow additional funds to cover COVID-related expenses and to provide support to residents who were suddenly without work.

Mr. Speaker, there is no disputing the facts I have laid out. Upon returning to government in 2017, the Progressive Labour Party was executing its agenda and laying the foundation for long-term economic growth before having to address two major events beyond our control, namely the Morgan's Point guarantee and the COVID-19 pandemic.

In light of those challenges and the other potential risks looming, such as the new OECD global tax agreement, a challenging tourism market, US inflation, and the continued drainage of public funds to cover the Skyport minimum revenue guarantee, this Government is committed to making the difficult, and sometimes unpopular, decisions required to steer us back to a path of economic recovery. We did it before, and we will do it again.

## **Unprecedented Support for the People during the Pandemic**

Mr. Speaker, no review of what this Government has done since it was elected to office is complete without recognising the unprecedented support it has made available to residents and businesses in response to the coronavirus pandemic.

Over the last two years, this Government has spent in excess of \$100 million in direct assistance to citizens and businesses, including over \$80 million of direct assistance to individuals. This started immediately after the declaration of a pandemic and continued into this fiscal year due to the outbreaks that the island has experienced. Additionally, support has been given to small, medium and large businesses through the Bermuda Economic Development Corporation, and there have been a significant number of tax rebates and concessions that have been made to support various industries in Bermuda. The narrative that this Government has not helped its people is simply not true.

Mr. Speaker, as part of emergency measures related to the pandemic, the Government provided \$6.7 million in payroll and Land Tax relief to our local hotels, bars and restaurants as a measure of support for an industry that has suffered the most during this pandemic.

## **Stable Public Sector Employment**

Mr. Speaker, one common refrain that is hurled towards this Government from many quarters is that the PLP Government keeps expanding the size of the public service. It is something that is often said, but it has no basis in fact. The most accurate measure of the persons employed in the public service comes from the Government's payroll records. These reports are compiled quarterly and show a vastly different picture than the common refrain from the Opposition.

At the end of June 2017, three weeks before the Progressive Labour Party was elected, the number of persons paid by the Government was 4,625. Four years later, at the end of June 2021, that figure stood at 4,642 (which is inclusive of staff that were part of the coronavirus response), an increase of just 17 staff.

We can also look at the December numbers, as that is the most recent quarter. At the end of December 2017, the number of persons paid by the Government was 4,438. Four years later, at the end of December 2021, that figure stood at 4,362 (which, again, is inclusive of staff that were part of the coronavirus response), a decrease of 76 staff.

Mr. Speaker, the numbers fluctuate throughout the year as during the summer you have seasonal employees, like lifeguards, however, the figures speak for themselves. Since 2017, the PLP has been prudent in hiring and has made investments in technology to make the Government more efficient. We have not expanded the size of the public service, and we continue, as always, to manage the islands' affairs with our delicate financial situation in mind.

## **Delivery on Platform Promises**

Mr. Speaker, since our election, this Government has been laser-focused on executing the pledges made in our election platform, which were endorsed overwhelmingly by Bermuda's electorate.

## **Higher Education and Retraining**

Mr. Speaker, in 2017, we pledged that every Bermudian would be provided access to the Bermuda College, regardless of their financial status. Since 2017, a total of 174 students have graduated or earned a certificate as a result of us keeping that election promise. Students that benefit from new programmes often continue to contribute to our economy by joining the local workforce and putting their skills to work. In 2019, the "College Promise" merit award programme was introduced, allowing public school students to attend Bermuda College tuition-free, provided they graduate with a GPA of at least 3.0. Since its introduction, 69 students have taken advantage of this award and four have already graduated from the Bermuda College.

Mr. Speaker, our success in providing increased access to Bermuda College can be seen in the enrolment figures. In 2016, enrolment at Bermuda College stood at 926 students. I am pleased to report that it now stands at 1,305, an increase of some 379 students – 379 Bermudians who may not otherwise have had the opportunity to further their education without the support that this Government promised it would provide. And this Government delivered on that promise.

## **Unlocking Access to Capital and Boosting Entrepreneurship**

Mr. Speaker, the Bermuda Economic Development Corporation (BEDC) is responsible for providing financial support and technical advice to local small and medium-sized businesses, overseeing the Economic Empowerment Zones, growing outside vendor markets, and issuing vending licences.

Mr. Speaker, with increased funding support from the Government, the BEDC continues to deliver on initiatives such as its direct lending microloan, financial grants, and loan guarantees that provide greater access to capital for our local entrepreneurs. The BEDC also recently increased its maximum guarantee capacity from 50% to 75% to enhance financing opportunities and through its new Start-ups Payroll Tax Relief programme in 2018/19, BEDC has facilitated 73 businesses starting up resulting in 110 new jobs .

Mr. Speaker, the BEDC also develops new financial partnerships, such as with the Bermuda Credit Union Co-Op Society, to develop additional financial products to support our local businesses and amplify what the BEDC, Government and local banks have provided.

Mr. Speaker, the Government appreciates the importance of local small and medium-sized businesses and will continue to facilitate and support the BEDC in their efforts to grow Bermuda's entrepreneurial ecosystem.

## **Economic Recovery Plan**

Mr. Speaker, the Fiscal Responsibility Panel Report for 2021 acknowledged the positive momentum around Bermuda's economic recovery efforts. On the subject of the Economic Recovery Plan (the ERP), that report stated:

*“We welcome the Government's commitment to the ERP. We are encouraged to note that significant progress has already been made with projects in several areas, particularly economic diversification, immigration, renewable energy and reducing medicine costs.” [page 30]*

The Economic Recovery Plan is focused on a strategy of economic diversification, reducing socio-economic disparities and leveraging Bermuda's natural resources and geographic advantages. This approach will gradually help solidify the country's economic structure. The goal of each initiative is to generate stimulus by increasing GDP, job creation and investment, improving income, quality of life and the business environment, reducing economic disparity and, of course, improving public finances.



While the expected economic impacts will vary by initiative, work has commenced on virtually all of the thirty-one initiatives included in the Plan. Some initiatives have progressed to an advanced stage and others, such as the Economic Investment Certificate, have been fully implemented. To date, the Economic Investment Certificate has generated over \$45 million of new investment in the Bermudian economy.

Further, the Project Management Office (PMO) has determined the means to align action plans to accelerate the improvement of economic outcomes. While all initiatives are deemed key contributors, four of them have been identified as those likely to generate a significant socio-economic and employment impact in the short term. The PMO will give additional focus to those four initiatives, which will be referred to as lead initiatives, to accelerate these projects and realise significant economic benefits during this fiscal year.

### **Fintech Has Been a Success and Will Keep Growing**

Mr. Speaker, thanks to this Government's vision, Bermuda is now a recognised global leader in the fintech industry. In 2018, we passed the Digital Assets and Business Act in this Honourable House and leveraged Bermuda's history as an innovative business jurisdiction and the stellar reputation of the Bermuda Monetary Authority to create a new industry in our country.

Mr. Speaker, of the 13 digital asset businesses currently licensed by the BMA, six were licensed in 2021 and three licences have already been issued in 2022. Momentum in this industry is growing in Bermuda, and the number of licensed fintech companies is expected to double this year while existing entities continue to expand their operations.

Fintech companies are investing in Bermuda, creating jobs for Bermudians and contributing to the economy and our local charities. This industry will only stand to benefit Bermuda, and it demonstrates why the Government must keep the end in sight as it aggressively pursues policies that will make Bermuda an early leader in this field. Despite the constant criticism from the Opposition, we have persevered, and now Bermuda is reaping the benefits of this Government's vision and persistence.

## The Local Economy

Mr. Speaker, I will now focus on the domestic economy. In 2021, Bermuda saw signs of economic growth supported by a rebound in quarterly gross domestic product (GDP) data. Positive economic performance was fuelled by new international business registrations, visitor spending, greater levels of household consumption and increased construction activity, indicating a gradual shift towards economic recovery.

When compared to 2020, Bermuda's GDP, the primary indicator for economic growth, is estimated to have grown between 3–5% in 2021. However, while we are seeing the early stages of economic growth, the Government recognises this increase in GDP is not being felt by all segments of society and therefore understands more must be done

Mr. Speaker, Bermuda continues to see growth in international business. 2021 saw a 27.4% increase in new registrations, with 934 new companies arriving on our shores, and a 4% increase in jobs or 171 new posts. I am happy to report that last year there were more positions added for Bermudians than for guest workers, proving that the balanced policies of the Bermuda Progressive Labour Party can grow international business while Bermudians benefit.

It is also important to note, Mr. Speaker, that since 2019, jobs in international business have consistently increased, with 391 additional posts added to our economy, representing a growth of 10%. This sector now provides 4,411 jobs within our economy and is the single largest economic activity group. The Government will continue to work collaboratively with our international business sector to promote Bermudian employment and advancement.

Mr. Speaker, with the rollout of vaccines and the relaxation of border restrictions, the travel industry globally showed signs of a comeback in 2021, and Bermuda's tourism sector reflected that, demonstrated by a 77.8% improvement in air visitor spending and a 27.7% improvement in the length of stay of leisure travellers. Despite several COVID-19-related setbacks, Bermuda was also able to host major international sporting events in 2021, such as the Butterfield Bermuda Championship and SailGP, with the latter alone injecting \$5.7 million into the economy.

Mr. Speaker, with regards to the construction industry, it is pleasing to report that new planning applications increased from 402 in 2020 to 668 in 2021, amounting to a 66.2% improvement. During the first three quarters of 2021, the value of new construction projects grew from \$47.1 million in 2020 to \$57.5 million.

Mr. Speaker, headline inflation continues to remain low in Bermuda, as reflected in the Consumer Price Index, which indicates an average inflation rate of 1.5% in 2021. Bermuda's balance of payments continues to record relatively large current account surpluses, which are an important strength in the Bermudian economy. Bermuda's total current account

surplus over the first three quarters of 2021 was recorded at \$768 million. This figure is 19.8% more than the \$641 million recorded over the first three quarters of 2020.

Mr. Speaker, sustainable economic growth cannot be achieved without an expansion of jobs within our economy and a reduction in unemployment levels. With a 3.9% decline in employment levels in 2021, from 32,427 filled positions to 31,250, this Government fully understands that a human-centred recovery is required.

<b>JOBS IN BERMUDA</b>					
	2017	2018	2019	2020	2021 (E)
Total Filled Positions	33,659	33,855	34,378	32,427	31,250
JOBS INCREASED IN BERMUDA IN 2018 AND 2019 AND BEGAN TO DECLINE PRIMARILY A RESULT OF THE COVID-19 PANDEMIC					

Mr. Speaker, this Government delivered on increasing the number of jobs in the Bermudian economy in 2018 and 2019. However, the impact of the pandemic on the labour market has been severe, resulting in job losses across most industrial sectors over the last two years. The return to pre-pandemic job levels will heavily depend on the success and recovery of Bermuda's tourism industry.

Mr. Speaker, the closure of the Fairmont Southampton hotel and the global decline in the travel and tourism industry are key factors for the accommodation and food service industry recording the largest job declines of any industrial sector in Bermuda, with a loss of 696 filled positions in 2021. The banking and financial sector also continued to see a steady decline in employment, with 322 fewer jobs, or a 14.1% decline, since 2017.

Mr. Speaker, I must also note, however, the increase in employment in the international business sector, from 4,240 filled positions in 2020 to 4,411 in 2021. For the second consecutive year of job decline in 2021, Bermudian employment levels declined by 3.4%, non-Bermudian employment declined by 4.1% and spouses of Bermudians' employment declined by 4.9%.

Mr. Speaker, the early indications of recovery are encouraging and signify a return of confidence in the economy. However, with lagging recovery in employment levels, this Government recognises that more must be done. The Government remains focused on implementing Bermuda's Economic Recovery Plan and executing initiatives contained in the plan such as the National Jobs and Youth Employment Strategy, designed to get Bermudians back to work.

Mr. Speaker, while we manage the local economy, Bermuda's status as a top-class international financial centre is under constant threat from external forces. These include the OECD global minimum corporate tax initiative, a possible resurgence of the coronavirus, the impact of climate change and its correlation with our local insurance and reinsurance industry, geopolitical tensions, rising global interest rates and increasing global inflation. These risks must be addressed head-on and mitigated.

## The Consistent Global Threats to Bermuda

Mr. Speaker, as has been highlighted on a number of occasions in the past, the nature and scope of the external threats to our financial and economic stability have changed significantly over the years. In particular, there has been considerable expansion in the international and regional standards that we have to comply with in the areas of tax governance and cooperation, supervision and regulation, and combatting money laundering and the financing of terrorism and proliferation.

Mr. Speaker, as a jurisdiction committed to cooperation, transparency, and high levels of compliance, we are working tirelessly to address the challenges in those areas. Currently, we are involved in more than ten different types of assessments or follow-up reports. We are working with the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes on reviews of tax information and exchange agreements, cybersecurity, and common reporting standards; the OECD Forum on Harmful Tax Practices on assessment of our economic substance regime and the Caribbean Financial Action Task Force in relation to our anti-money laundering regime.

Mr. Speaker, the EU Council and Commission also undertake assessments in any or all of these areas. They can then decide to take action if there is a need for further strengthening in any area, as evidenced by their recent decision to require and publicly record a high-level commitment from Bermuda in relation to actions to enhance our economic substance regime.

Mr. Speaker, we also anticipate that in the upcoming year, we will be subject to a review of our country-by-country reporting regime (another tax-related assessment). Failure to reach full compliance in any of these areas can expose us to reputational challenges and could even have financial and economic consequences.

Mr. Speaker, we also continue to be involved in discussions with all of the above-named bodies as well as the OECD Inclusive Framework responsible for the Base Erosion and Profit Sharing Initiative, the Financial Action Task Force and key trading partners, including the UK, US and the EU in relation to changes in the development, updating and implementation of international and regional standards with which we are, or will be, required to comply. Along with all of this, we continue to take the necessary steps to update and strengthen our regime and to ensure effective implementation.

Mr. Speaker, the requirements related to the recent agreement by the G20 to approve what is commonly referred to as the “OECD Global Minimum Tax Agreement” will be an area of even greater focus and risk for us in this coming year. Determining the right “construct” will not be easy, but achieving success in this regard will be critical for our ongoing economic stability and security. Through appropriate collaboration with our industry partners and ongoing discussions with the various external bodies, and through taking prudent and considered action, we must and will ensure that Bermuda’s value proposition as a domicile for international business remains strong.

## The Harsh Reality of Bermuda's Tourism Economy

Mr. Speaker, Bermuda's tourism industry has been battered by the pandemic. Our industry suffered from underinvestment, and the collapse in travel exposed its fragile state. The outlook right now is bleak, and there are many who may predict that our tourism industry will never recover. I am not one of them.

Mr. Speaker, hospitality development presents a difficult paradigm for Bermuda on account of the high cost of labour and doing business. The concession framework within which we operate is simply not competitive. We will not have new or redeveloped hotels, or attract superior events, with the current structure. Our competitors understand this, and we see elsewhere branded hotel development which positions them favourably for thriving arrival numbers in the very markets that match our price point.

Mr. Speaker, there are some who will blame last year's poor tourism numbers on Bermuda's strict border controls, comparing our country to other jurisdictions that had simpler border regimes and who have seen tourism numbers return to pre-pandemic levels. However, that comparison only tells part of the story.

Our fellow overseas territory Turks and Caicos saw excellent numbers last year, but Mr. Speaker, it is important to understand why. In 2016, the then newly elected Premier and Minister of Finance of Turks and Caicos committed to expanding concessions for hotel development on the island. The result of that decision is that, over the last five years, a significant number of new hotel properties have been constructed, with new hotels opening last year.

Most of our competitor jurisdictions offer tax concessions far in excess of what is offered in Bermuda. That is counterintuitive as Bermuda has a high cost of business operations and additional support is needed for success. This is the crux of our tourism issue – it is difficult to make money in the hotel business in Bermuda, and we must change that. Those who have dollars to invest take their money to jurisdictions where it is welcomed and where they can make a better return. Bermuda, on the other hand, presents challenges to investors with high energy costs, increased costs of doing business, a cooler winter and the historic collective bargaining agreement with the Bermuda Industrial Union (BIU), which reduces efficiencies and increases operational costs.

Mr. Speaker, crisis often brings change. The pandemic forced the closure of our largest hotel, the Fairmont Southampton, with a loss of about 700 unionised jobs. As part of the planning for the hotel's reopening, the Bermuda Industrial Union has negotiated a new Collective Bargaining Agreement with the owners of the hotel which will apply efficiencies as a precondition for approval of overseas lenders to invest in Bermuda. It is the Government's hope that this new Collective Bargaining Agreement can be the baseline for further tourism growth in Bermuda. I would like to publicly thank the Bermuda Industrial Union for coming to the table as it will take a true tripartite effort to make tourism successful again in Bermuda.

However, operational efficiencies are not enough when Bermuda must compete against other jurisdictions that are offering additional incentives for the building of new hotels.

Mr. Speaker, you would have heard me speak previously in this House regarding a special act for the Fairmont Southampton. This recognises that for a hotel to be developed in Bermuda and to attract significant capital, we must be prepared to compete with other jurisdictions. When this government came to office in 2017, we passed the Tourism Investment Act, which upgraded the old Hotel Concessions Act 2000 to extend concessions for hotel developments.

Mr. Speaker, we doubled the length of concessions from five to ten years, but it is evident that there is still more work to be done. Mr. Speaker, you will remember me mentioning the Turks and Caicos Islands and the fact that they have seen an increase in the number of hotel beds in their country. That is because, in 2016, the new Premier and Minister of Finance expanded their hotel concessions to 25 years. And those are not even the most generous hotel concessions, as there are jurisdictions in the Caribbean that offer 30 years or more of tax concessions in order to attract branded five-star hotel developments to their shores.

Mr. Speaker, hotel concessions of that length seem extreme, but governments have recognised that the revenue from direct taxation of hotels pales in comparison to the money and employment generated for the country through having hotels open and operating. Hotel employment is vital, and although tourism only contributes 5% to our gross domestic product, it contributed approximately 14% of the jobs in Bermuda in 2019.

Mr. Speaker, this Government will this year introduce amendments to the Tourism Investment Act to increase the duration of concessions available to hotel developers in Bermuda.

Mr. Speaker, doing what is required to attract hotel investment does not mean that we will be reckless. We have seen what a desire to develop hotels at any cost can mean to the taxpayers of this country. The former Government's failed bid to support the Caroline Bay project has had dire consequences for our public purse.

In that deal, the former Government guaranteed virtually all the debt for the project, and construction was started before sufficient funding was in place to support its completion, with the project reliant on real estate sales to fund the balance of the development. Mr. Speaker, that was an unacceptable risk for a massive undertaking involving persons that had no comparable experience in hotel development.

What is most egregious is that in 2017, while the former Government was filming election advertisements at Morgan's Point, the developers had already breached the commitments that were made for the guarantee, as they had agreed to sales targets that had not been met.

Mr. Speaker, it is clear that the former Government should never have entered into the agreement as it was structured. That has been made evident as the guarantee was called in and taxpayers have now paid over \$210 million for the previous administration's poor judgement.

By contrast, this PLP Government has taken a different approach. We have ensured that guarantees extended to hotels, like the one provided to the new St. Regis property in 2018 or the 2019 agreement between the former Minister of Finance and the developers of the Fairmont Southampton, do not overexpose the Government. We are making sure that all hotel development is fully funded so that taxpayers are not left bearing the cost.

Properties like the Fairmont Southampton, which was the largest private employer in Bermuda, are a national priority. So much in this country depends on a successful tourism industry. Without it we do not have sufficient visitor numbers, our attractiveness as an international business jurisdiction is reduced and all of the businesses that support it suffer, including food services, transportation and entertainment. Tourism is essential, and it is the responsibility of the Government to use all of the tools at its disposal, including appropriate guarantees where necessary, to facilitate successful hotel development.

<b>ONGOING COST OF THE OBA GOVERNMENT</b>						
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
Morgan's Point/Caroline Bay			\$176.3	\$30.5	\$3.2	<b>\$210.0</b>
Skyport Minimum Revenue Guarantee	-	-	-	\$21.0	\$20.0	<b>\$41.0</b>
WEDCO - Cross Island	\$2.1	\$6.3	\$4.8	\$5.0	\$4.8	<b>\$23.0</b>
<b>Total</b>	<b>\$2.1</b>	<b>\$6.3</b>	<b>\$181.1</b>	<b>\$56.5</b>	<b>\$28.0</b>	<b>\$274.0</b>

## Bermuda's Demographic and Population Problem

Mr. Speaker, we have a demographic challenge in Bermuda, and that challenge will not magically resolve itself. It requires strong leadership to implement policies that address the issues while ensuring Bermudians benefit from economic progress.

Mr. Speaker, it is expected that last year will mark the fourth consecutive year that deaths exceeded births in Bermuda. The latest projections, based on recent statistics, state that 25% of our population is expected to be senior citizens by 2026. Additionally, residents have left Bermuda due to the economic challenges that we currently face, especially in our tourism industry with the closure of our largest hotel. Mr. Speaker, if we do not reverse these trends, it will lead to economic disaster for Bermuda.

Mr. Speaker, population growth is not simply an option for Bermuda, it is a necessity for our survival. It is not possible for Bermuda's economy to grow while our population declines and ages. A declining population in a small island state increases the cost of living. An ageing population increases the cost of healthcare. A shrinking workforce puts future pensions at risk. These trends must be reversed, our population and workforce must grow, and for that to happen we must create jobs through domestic or foreign investment.

Mr. Speaker, this growth of jobs does not mean that all persons need to be imported for the roles to be filled. If we do our job to make Bermuda a fairer place to live and work, there are Bermudians who will return. However, it is vital that we shift from the false choice of "is population growth good or bad" to a mindset of "growth is essential – how do we ensure that it benefits Bermudians who live in Bermuda."

Mr. Speaker, immigration policy may be controversial, but economic and demographic realities should not be. In a modern and globalised economy, where people do not need to live in Bermuda to work for Bermudian companies, and with an ageing populace and infrastructure, we will not fix the burning issues of high taxes, high cost of living and weak business demand without increasing the number of people that live and work in Bermuda.

The other side to the economic argument for population growth is the desperate need for small businesses to survive and thrive. We see that small businesses in Bermuda are hurting and traditional local retail has been severely impacted by the pandemic. They welcome temporary assistance from the Bermuda Economic Development Corporation, but what every business owner wants, whether large or small, is more customers to whom they can sell their goods or services.

Mr. Speaker, if our economic pie does not expand, and our local entrepreneurs are fighting over the same 60,000 customers, there will be little collective growth. More jobs and a growing population leads to more opportunity for entrepreneurship, more opportunity for growth, and more opportunity for wealth creation.



Economic Investment Certificates modified an existing policy to ensure it better benefited Bermudians. It changed the existing policy to require those who wished to reside in Bermuda to make investments that benefit residents, either through support for education, sporting clubs, charities, debt reduction, new businesses, real estate or other vital investments.

Mr. Speaker, this government knows and understands what is required to build the economy, but we also know that economic growth cannot leave Bermudians as spectators to success; jobs can be created through local investment as well. In 2019, I pledged that this Government would allow Bermudians to access their pension funds that are invested overseas to invest in local Bermudian companies. I made that pledge because I have faith that Bermudians can look at what they have, assess the risks and decide, if they wish, to make a bet on their future. If they are confident in their plans, they should be allowed to pledge a small portion of their pension savings to invest in starting a business or a business startup to further the Government's goal of creating a nation of owners.

Just as we have opened up avenues for additional foreign investment, we must make it easier for Bermudians to pool their resources and invest in their island. These changes will be implemented this year to increase domestic investment that will create jobs, and in turn, stabilise and eventually increase Bermuda's population.

Mr. Speaker, changing these demographic trends will not happen overnight, it will take time. And while there will be an economic boost this year with increased business from tourism, this Government recognises the challenges being faced by residents who need additional support and relief from Bermuda's high cost of living now.

## **Relief Now and More Relief to Come**

Mr. Speaker, this Progressive Labour Party Government has a history of reducing the burden of taxation on those who can least afford to pay. We did that in 2018 and 2020, and we are doing it again today.

Make no mistake Mr. Speaker, there is a difference of philosophy. And that can be seen not just in words but in action. It must be remembered that while the former Government had the highest payroll tax rate in history for workers, since returning to office, the Progressive Labour Party has reduced the burden of payroll taxes for all persons earning under \$96,000 twice, and we are doing it again today.

Mr. Speaker, I mention this because there are many persons in our community who, in some way, shape or form, have become disillusioned by politics and government. They believe that there is no difference between the political parties and their philosophies. But, Mr. Speaker, nothing could be further from the truth; the contrast could not be starker, and this Government will continue to be true to its core principles – that we must build a fairer and better Bermuda. One of the most important aspects of this is that individuals who have more should pay more, and those who are at the lower end of the economic spectrum must have relief, especially given the high cost of living in Bermuda.

While the Government has not made major tax system changes for this budget year, relief must be provided to Bermudians who will be challenged over the next year with the increasing cost of living.

## **Mid-Year Review to Return More of Your Tax Dollars**

Mr. Speaker, I want to assure all persons listening, and all those who will read this budget statement over the next few days, that the Government is committed to reducing the tax burden and providing additional relief during this fiscal year for residents and businesses beyond the relief that will be announced today.

Over the last few years, our discipline in spending and strong revenue receipts have made our budget deficits lower than anticipated. During this upcoming fiscal year, the Government will commit to a mid-year review that will take place in September. If our conservative revenue estimates are exceeded and spending remains in line with estimates, we will provide additional tax relief to residents.

First, Mr. Speaker, we will return 50% of any additional surplus to the taxpayers of this country. This means if the projected deficit for 2021/22 comes in below estimates, 50% of those funds will be used to reduce taxes on fuel imports to reduce the cost of electricity in Bermuda.

Mr. Speaker, the Government understands that the cost of living is a major challenge. Though we cannot control many of the factors that contribute to the cost of living as we import most of our goods, we can control the amount of taxes that are charged for those

items as they enter the country. It is important to note that the former Government raised taxes on fuel by 110% during the time that they were in office. It is this Government’s goal to reduce the taxes on fuel imports to reduce the cost of electricity.

Mr. Speaker, the current conflict between Ukraine and Russia is likely to put further pressure on electricity prices due to the increase in the price of oil. Reductions in duty for fuel imports will reduce electricity bills and provide a cushion for Bermudian households and businesses against further cost and inflation pressures from increasing energy prices.

### Reduction of Private Car Licensing Fees

Mr. Speaker, it has long been a known irritation in Bermuda that the birthday gift from the Government of Bermuda for those persons owning a private car is a very large bill for your annual vehicle licensing fee. This year, to provide further relief across the board to all residents, the Government is cutting the vehicle licensing fees for private cars by 10%. Let me repeat that Mr. Speaker, the Government is cutting the vehicle licensing fees for all private cars by 10%.

10% Reduction for Private Car Relicensing			
Type of Vehicle	Current Fee	New Fee	New Seniors Fee
Private Car - Class A	\$304.08	\$273.67	\$136.84
Private Car - Class B	\$418.08	\$376.27	\$188.14
Private Car - Class C	\$592.08	\$532.87	\$266.44
Private Car - Class D	\$730.08	\$657.07	\$328.54
Private Car - Class E	\$1,022.04	\$919.84	\$459.92
Private Car - Class F	\$1,184.04	\$1,065.64	\$532.82
Private Car - Class G	\$1,378.08	\$1,240.27	\$620.14
Private Car - Class H	\$1,678.08	\$1,510.27	\$755.14

THE GOVERNMENT WILL BE ISSUING A 10% REDUCTION IN FEES FOR PRIVATE CARS ONLY

### No Across the Board Increase in Fees

Mr. Speaker, there is a reason vehicle fees are as high as they are, and that is because, as far back as the 1990s, it was the practice of governments to increase fees for all their services and licences by 5% every other year. That was known as the “Biennial Fee Review”. The last such review was in 2018. Since that time, this Government has halted that practice. And we have not implemented across the board fees increases as we are committed to reducing the pressures on Bermuda’s families and businesses.

### Payroll Tax Reductions for Workers Making Less than \$96,000

Mr. Speaker, in this Government’s 2020 election platform, we committed to eliminating payroll taxes for earnings under \$48,000. Mr. Speaker, we are not able to meet that entire

commitment this year, but we will get started. Since our election, we have steadily reduced the payroll tax burden on those persons making less than \$96,000, and there are further reductions in store for those persons in this budget.

In 2017, before this Government was elected, a worker earning \$48,000 a year would pay \$2,280 (4.75%) in payroll taxes. Next year, that worker will pay only \$720 (1.5%), a reduction of \$1,560 (or 68%) since this Government took office, and a reduction of \$240 compared to last year. Mr. Speaker, that same worker will have paid almost \$5,000 less in taxes during the time that this Government has been in office, and for a family that amounts to \$9,840 in savings over five years.

Mr. Speaker, today's reduction brings more relief for workers, to assist with the burden of the increased cost of living. Finally, Mr. Speaker, there are no tax increases in this Budget, and anyone making more than \$96,000 will not see their payroll taxes increase.

<b>PLP Has Reduced the Tax Burden on Workers in Bermuda</b>					
<b>Salary</b>	<b>Reduction in Taxes in 2018</b>	<b>Reduction in Taxes in 2020</b>	<b>Reduction in Taxes in 2022</b>	<b>Total Annual Reduction From 2017 - 2022</b>	<b>Cumulative Tax Savings in 2018, 2019, 2020, 2021, 2022</b>
\$36,000	-\$270	-\$720	-\$180	<b>-\$1,170</b>	<b>-\$3,690</b>
\$48,000	-\$360	-\$960	-\$240	<b>-\$1,560</b>	<b>-\$4,920</b>
\$60,000	-\$270	-\$720	-\$180	<b>-\$1,170</b>	<b>-\$3,690</b>
\$72,000	-\$180	-\$480	-\$120	<b>-\$780</b>	<b>-\$2,460</b>
\$84,000	-\$90	-\$240	-\$60	<b>-\$390</b>	<b>-\$1,230</b>
\$96,000	\$0	\$0	\$0	<b>\$0</b>	<b>\$0</b>
	First PLP Payroll tax reduction for workers	In 2020 further reductions were made saving families even more	Further reduction this year that is in addition to savings made in previous years	This is the difference in annual payroll tax b/w the OBA (2017) & PLP (2022)	This is the total amount of tax savings for a worker over the last 5 years

## **Further Relief Measures:**

### **Extension of the Supplementary Unemployment Benefit Programme**

Mr. Speaker, the initial Supplementary Unemployment Benefit (SUB) programme was created and implemented via the Public Treasury (Administration and Payments) (Supplemental Unemployment Benefit) Regulations 2020 and provides assistance to unemployed persons who do not qualify for Financial Assistance. This legislation had a commencement date of 17th September 2020. The initial expiry date of the programme was 31st March 2021. However, there have been two extensions to this programme, and the current expiration date is 31st March 2022. From its inception in September 2020 to February 2022, 172 individuals have received this assistance, provided by this Government to people unable to find work in the wake of the pandemic, for a total cost of \$1,743,460.

Mr. Speaker, thankfully the trend analysis points to a continued month-on-month decrease in the number of SUB applications submitted by the public. However, we will not remove this safety net at this time, and I am pleased to advise this Honourable House and the public that the Cabinet's approval will be sought to extend the SUB programme until 31st August 2022.

### **Extension of Relief for Hotels and the Restaurant Industry**

Mr. Speaker, since the onset of the pandemic, hotels, restaurants, bars and nightclubs have enjoyed relief from payroll taxes. These payroll tax concessions will be extended for at least another six months to support these businesses, and their employees, as they look to recover during this summer season.

### **Extension of New Hire Relief**

Mr. Speaker, in 2018 the Progressive Labour Party Government introduced incentives for businesses to employ more persons in Bermuda. This relief was targeted at international businesses and large local employers to create jobs in Bermuda. This New Hire Relief was further extended in 2020, but it is set to expire on March 31 2022. This relief will be extended for a further two years to support hiring in the local economy and is applicable to local and international companies with annual remuneration of \$500,000 or more.

### **Clarified Relief for the Charitable Sector**

Mr. Speaker, some charities are having difficulty claiming relief from land taxes due to the fact that they raise significant funds from international business. The Government wants to encourage continued giving from our international business community to our local charities. As such, we will make amendments to the Land Valuation and Tax Act to make it explicit that registered charities who earn a majority of their funds from donations are exempt from land taxes.

## Land Tax Relief for Care Homes

Mr. Speaker, care homes look after those in our society who most need our assistance, but the pressures of the pandemic have stressed the finances of many of Bermuda's care homes. Therefore, the Government will make amendments to the Land Valuation and Tax Act to remove land taxes from registered care homes.

## Final One-Time Pension Withdrawal

Mr. Speaker, over the last two years, the Government has allowed persons to have voluntary access to their pensions in case they are having difficulty making ends meet due to reduced hours or business. In 2020, residents could withdraw up to \$12,000, and in 2021 they could withdraw up to \$6,000. This voluntary withdrawal for up to \$6,000 will be extended a final time to provide an additional avenue for relief for those Bermudians who really need it.

PRIVATE PENSION RELIEF			
	Applicants	Total Amount	Average
2020/21 Pension Withdrawal	21964	\$149,223,668	\$6,794
2021/22 Pension Withdrawals	7065	\$39,496,992	\$5,591
25% Lump Sum Senior Withdrawals	848	\$35,077,609	\$41,365

## Tax Reform Commission to Make Short-Term Recommendations

Mr. Speaker, in line with the recommendations from the Fiscal Responsibility Panel, the Government will empanel a new Tax Reform Commission before the end of April. This commission will have the long-term work of appropriately adjusting Bermuda's local system of taxation, in line with the requirements arising from the new OECD global tax agreements. Additionally, this commission will be assigned the task of near-term changes to our system of taxation to ensure that the recommendations for a more progressive system of taxation in Bermuda are implemented swiftly.

We must also acknowledge that an essential benefit of changing our system of taxation is to deal with the most pressing issues in Bermuda – the cost of living and the cost of doing business. The main taxes that Bermuda uses to collect revenue – customs duties, payroll taxes and taxes on fuel – increase the cost of living and the cost of doing business. A fairer tax system can help us reduce our cost of living, which in turn will boost economic growth, and that is why it is essential that it be advanced.

## **Making Our Financial System Work Better**

Mr. Speaker, while I will not prejudge the result of the Tax Reform Commission's work, the Ministry of Finance must advance policies that make our financial system fairer. Therefore, this Government will introduce the following policies to make our financial system work better for consumers.

### **Financial Conduct Legislation and Mortgage Protection**

Mr. Speaker, banks are a vital part of the financial system and play an important role in our domestic economy. The Government is on record regarding its desire to diversify the banking system and is excited that the Bermuda Monetary Authority is set to issue its first licence for a new bank in 21 years.

However, banks and financial institutions can also place citizens at a disadvantage, and it is the responsibility of the Government to ensure a level playing field. As such, this Government will bring legislation to give the courts the power to postpone the execution of an Order for Possession in appropriate circumstances where payment plans can be established. The legislation will also give the courts the ability to adjudge and grant appropriate relief to customers who can show that their loan agreements were unfair.

Additionally, amendments to the Banks and Deposit Companies Act outlined in the 2021 Throne Speech will be advanced in this Session to create conduct rules for the local banking sector, including creating limits on the fees charged for customers to access banking services.

### **Bermuda Digital Bank**

Mr. Speaker, one of the priority items in the Government's 2020 Election Manifesto was the creation of a Bermuda Digital Bank. The report from the Fiscal Responsibility Panel discusses the benefits and possible risks of such an institution. Therefore, the Government commissioned a business plan for the Bermuda Digital Bank, and that plan lays out a number of preconditions that are required for digital banking to be successful in Bermuda.

One of these issues is open banking to ensure that bank operations are interoperable and information is able to be readily exchanged. This is the underlying infrastructure that allows for technological solutions to be deployed in banking. This year, the Government will advance, through the Bermuda Monetary Authority, open banking standards that will lay the foundation for the creation of digital banking in Bermuda.

## **Bermuda's National Budget**

Mr. Speaker, I will now turn my attention to the financial performance of the Government for the current fiscal year and next fiscal year. I will also lay out our path to a balanced budget and how the Government will meet the target set by the Fiscal Responsibility Panel of achieving a \$50 million budget surplus by the fiscal year 2026/27.

### **Actual Performance for Fiscal Year 2020/21**

Mr. Speaker, I must make a brief mention of the performance for the last fiscal year, 2020/21. During last year's budget presentation, the revised deficit for the fiscal year 2020/21 was projected to be \$245 million. However, the actual deficit according to the final numbers, which are reported in the Financial Statements tabled today, show the deficit was \$61 million less, coming in at \$184 million.

### **2021/22 Fiscal Performance**

Mr. Speaker, before proceeding further on the estimates for the fiscal year 2022/23 budget, I would like to provide an update on the Government's financial performance, the continued impact of the COVID-19 pandemic and the forecast for the current fiscal year 2021/22.

Mr. Speaker, the latest revised forecast projects that the Government will earn \$1.03 billion in revenue in 2021/22. This is \$31.3 million (3.1%) more than the \$998.9 million in the original estimates. This is primarily due to Customs Duty, Passenger Tax, Civil Aviation Receipts, and Travel Authorisation Fees performing better than expected. Although those increases were somewhat offset by lower collections in Land Tax, International Company Fees and Passenger Taxes.

Mr. Speaker, the projected 2021/22 operating expenses of the Government, excluding debt service and guarantee management, are \$904.3 million, or \$16.3 million (1.8%) more than the \$888 million originally budgeted. Significant contributors to the increase in anticipated current account expenditure included the additional \$11.1 million to the Bermuda Hospitals Board to meet the funding shortfall. To offset additional operating expenses, the Government realised savings in salaries, wages, and employee overheads, materials and supplies.

Mr. Speaker, it is also worth noting that the effects of the coronavirus pandemic lasted longer than anticipated a year ago, with multiple variants of the virus reaching and spreading throughout the island. Therefore, the cost of COVID-19-related expenses for this fiscal year is expected to be \$35.1 million, \$20.1 million (134%) more than the \$15 million originally budgeted. Included within these expenses are unemployment benefits, coronavirus testing and lab operations, the vaccination programme, quarantine facilities and the \$16 million airport minimum revenue guarantee.



The increase in revenue was not enough to offset the increased COVID-19-related expenses and operating expenses. Therefore, the Government also reduced its capital expenditure budget from the \$92.9 million originally budgeted to \$75.5 million.

Mr. Speaker, given the high levels of public debt and continued costs incurred by the Caroline Bay project, debt service and guarantee management costs are estimated to be \$132.8 million for this fiscal year – \$5.1 million (or 4.0%) above the original estimate of \$127.8 million. This increase above budget is a result of \$5 million spent on costs related to the Morgan’s Point / Caroline Bay project.

Mr. Speaker, given the figures outlined above, I am pleased to report that the revised estimate of the overall deficit for 2021/22 is \$117.4 million, or \$7.3 million (6%) less than the \$124.7 million deficit originally projected. This result demonstrates our commitment to prudent management of taxpayer funds.

As of 31 March 2022, net debt is projected to stand at \$3.1 billion, with the Sinking Fund balance to be approximately \$231 million, which is sufficient to fund future deficits.

### Fiscal Year 2022/2023 Budget Estimates

Mr. Speaker, I will now turn my attention to the budget estimates for the upcoming fiscal year 2022/23.

	ORIGINAL ESTIMATE 2021/22 000	REVISED ESTIMATE 2021/22 000	BUDGET ESTIMATE 2022/23 000
Revenue and Expenditure Estimates			
Revenue	998,865	1,030,259	1,077,802
Current Account Expenditure(excl.debt service)	888,000	904,295	945,065
COVID-19 Contingency	15,000	35,124	0
Current Account Balance(excl.debt service)	95,865	90,840	132,737
Interest on Debt/Guarantee Mgmt.	127,750	132,824	129,750
Surplus (Deficit) Available for Capital Expenditure	-31,885	-41,984	2,987
Capital Expenditure	92,864	75,471	72,987
<b>Budget Surplus (Deficit)</b>	<b>-124,749</b>	<b>-117,455</b>	<b>-70,000</b>

The highlights of the 2022/23 budget forecast a \$78.9 million (7.9%) increase in revenue and a \$50.1 million (6.4%) increase in current account expenditure from last year’s original estimate.

As a result, the current account balance, before debt service and guarantee management costs, is budgeted to be a surplus of \$132.7 million. The current account balance, after debt service, is projected to be a \$3 million surplus, representing a \$34.9 million improvement

when compared to 2021/22. The overall deficit, inclusive of capital expenditure, is projected at \$70 million, a \$54.7 million (43.9%) reduction from the 2021/22 original estimate of \$124.7 million.

Mr. Speaker, the projected current account balance, excluding debt service costs, indicates whether revenues can support the day-to-day running of the Government. This year's budget, with a current account surplus of \$132.7 million, indicates that, according to projections, the Government will generate sufficient revenue to cover not only the day-to-day running of government but also interest costs – a major financial milestone as we restore public finances.

## **Revenue**

Mr. Speaker, the estimates for 2022/23 project government revenues of \$1.08 billion, which is \$78.9 million (7.9%) higher than the original estimate for the previous year. This increase in the estimate is primarily a result of projected strength in tourism-related revenues, customs duty, and stamp duty.

## **Expenditure**

Mr. Speaker, the Government has set the overall 2022/23 budget for current account expenditure at \$945.1 million, \$57.1 (6.4%) million higher than the original 2021/22 estimate. Key factors for the increase are the discontinuation of the austerity measures involving the pay of civil servants. Additionally, there is no separate line item for COVID-19 so all pandemic-related expenses, such as the operation of Molecular Diagnostic Laboratory, are now captured within various ministry budgets. The level of expenditure delivers on the commitments laid out in the 2021 Throne Speech regarding funding healthcare reform, implementing Bermuda's first two signature schools, and establishing a regulated cannabis regime.

## **Debt Service**

Mr. Speaker, debt service costs for the 2022/23 budget are projected at \$129.8 million, 1.6% higher than the 2021/22 initial allocation of \$127.8 million. Although interest payments are estimated at the same level of \$127.8 million, \$2 million of guarantee management costs are projected relating to the Morgan's Point / Caroline Bay project and the Fairmont Southampton project.

## **Capital Expenditure**

The capital expenditure component of the 2022/23 budget is set at \$73 million, \$19.9 million lower than the 2021/22 original estimate. Of this \$73 million, \$51 million is for capital development and \$21 million for capital acquisitions. The most significant items of capital development expenditure in the 2022/23 budget relate to the \$7 million towards

the Tynes Bay Waste Treatment upgrades and \$3 million to be spent on the maintenance of our public schools to ensure that their buildings are safe for our students to attend.

Mr. Speaker, when looking at the \$21 million for capital acquisitions, \$9 million, or 42% of that figure, is to be invested in information technology upgrades throughout the Government of Bermuda and in our public schools. These investments will make the government more efficient while upgrading technology in schools. \$5 million has been budgeted to purchase additional new buses and to refit one of our fast ferries. Additionally, the Government has allocated \$1 million to commence the installation of the new islandwide CCTV system that was promised in this year's Throne Speech.

Mr. Speaker, before I move on, I would like to advise honourable members and the audience watching or listening at home, that I will not be providing individual highlights for the 12 Ministries of Government in this speech today. We have 56 hours of debate on these estimates over the next three weeks in this Honourable House, and the Ministers of the Government will take that time to share the plans and policies that they will put into place. There is no need for me to steal their thunder today.

### **The Path to a Balanced Budget**

Mr. Speaker, I know that there will be some people in the community, and I am sure the Opposition, who will look to the increased spending and deficit this year, and the one-year delay to the return to a balanced budget, as reasons to criticise this Government's fiscal management. However, I promised at the beginning of this statement that I would be realistic with where we are financially. Therefore, I would like to quote from the 2021 Report of the Fiscal Responsibility Panel.

*“However, after cutting expenditure by 5.1% in the teeth of the pandemic in 2020-21, the 2021 budget increased current spending, excluding debt service and the now discontinued contributions to the Sinking Fund, by around 1% a year, barely enough to cover inflation, in each of the next three years to 2023-24. Such continued austerity may be challenging to achieve, particularly against the background of the ambitious policies set out in the Economic Recovery Plan, and the need to renew and modernise Bermuda's public infrastructure.” - 2021 Fiscal Responsibility Panel Annual Assessment [page 24]*

Mr. Speaker, in the last budget presentation, the Government was projected to balance the budget by the next fiscal year, 2023/24. Mr. Speaker, this is not possible due to the need to continue to implement the Government's Economic Recovery Plan, reform Bermuda's healthcare and education systems, and fund necessary capital investments to replace and repair ageing infrastructure while continuing to support programmes for the vulnerable. Given that full economic recovery will not be able to occur until the Fairmont Southampton Princess is reopened, the new target for achieving a balanced budget has now been delayed by one year to the fiscal year 2024/25.

Last year, the deficit target for the fiscal year 2022/23 was set at \$41 million. The Fiscal Responsibility Panel was clear when it stated that continued austerity would be difficult to achieve in the near term given the Government's ambitious Economic Recovery Plan. That \$41 million target estimated that current account spending would increase by just 1% from \$888 million to \$896 million, inclusive of any COVID-related spending.

Mr. Speaker, \$896 million dollars in current account expenditure for this fiscal year would have been impossible to meet without sending a significant number of public officers home or cutting public services even more than the reductions that will be necessary in this budget. When examining what \$896 million represented, it became clear that there would have been redundancies in the police, fire and prison services and throughout many critical government departments.

In addition, it would have required severe cuts to the social services that protect the vulnerable in our community and provide support to our seniors. Mr. Speaker, the \$896 million projection did not take into account the fact that the \$888 million estimated for this current fiscal year 2021/22 contained a number of one-time measures that expired during the year, such as the salary reductions for all public officers that were in effect for three months of this current fiscal year and in the Bermuda Police Service for half of the fiscal year. That projection also did not anticipate further payments to Skyport for the minimum revenue guarantee.

Mr. Speaker, the \$945 million of current expenditure for the next fiscal year 2022/23 will still require a significant amount of reductions in services in order to meet that target. Cabinet Ministers will detail these measures during the Committee of Supply. The reductions can be seen across the board where grants have been reduced in certain areas, services will have to be limited and hiring will be frozen. This \$945 million is an accurate baseline for future current account spending, but it will still require significant spending discipline in order to ensure that this target can be met.

Mr. Speaker, revenues are projected to increase by 4% next year, which represents a further recovery of Bermuda's tourism sector. Although that will be offset by the ending of the Travel Authorization Fee, which is projected to cost the Government of Bermuda at least \$22 million. In theory, we could have a balanced budget next year with additional tourism growth, but that would require keeping the Travel Authorization and accompanying fee in place for a further year, which goes against the Government's commitment to ending both on 31 March 2023.

However, Mr. Speaker, what is important to note is that the level of Bermuda’s debt when we balance the budget in 2024-25 will be less than was projected during last year’s budget presentation. This is due to the fact that our deficits over the last two fiscal years are \$68 million less than projected. That strong financial performance means that Bermuda is on track to beat the debt targets set last year, meaning our debt profile is improving and that should be celebrated.

Accumulated Deficit \$5.8 Million Less than Projected Last Year					
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total Deficits
21/22 Budget	-\$245,476	-\$124,749	-\$40,822		-\$411,047
22/23 Budget	-\$184,153	-\$117,455	-\$70,000	-\$33,626	-\$405,234
Difference					-\$5,813

**Returning to Surplus to Reduce Our Debt**

Mr. Speaker, I would like to quote from the Fiscal Responsibility Panel’s Annual Assessment for 2021, which stated:

*The Government’s commitment to budget balance by fiscal year 2023-24, and the Minister’s commitment to sticking to the 2021-22 spending allocations are very welcome. However, we are concerned that there is no clear guide to policy thereafter. We therefore recommend that at the next Budget the Government commits to a further set of specific time-bound objectives for revenue and budget balance after 2023-24. Consistent with our previous reports, we recommend the Government target a budget surplus of \$50 million per annum, to be achieved by fiscal year 2026-27, and continued thereafter, to pay down the debt and to demonstrate real progress towards meeting the debt-revenue target. - 2021 Fiscal Responsibility Panel Annual Assessment [page 29]*

Mr. Speaker, the Fiscal Responsibility Panel called for near-term metrics to be put into place in order for the Government to generate a \$50 million surplus in the fiscal year 2026/27, four budgets from now. The Government has responded to that recommendation by setting out a path that will get us to a \$50 million surplus in the time that has been recommended.

Mr. Speaker, this means that expenses will have to be controlled while we continue to grow revenue. Most of that revenue growth will come from economic growth. However, the new Tax Reform Commission will be empanelled, and we are expecting that its near- and medium-term recommendations will see revenue uplifts next year of 4% and in the following fiscal year of 5%.

After those two years, revenue is expected to increase by 3% per year. On the expense side, we have projected an increase of 0.5% for the next fiscal year, followed by a 1.5% increase in the three subsequent fiscal years. This glide path will meet the target of having a \$50 million surplus in the fiscal year 2026/27.

	ACTUAL 2020/21 \$000	REVISED ESTIMATE 2021/22 \$000	ORIGINAL ESTIMATE 2022/23 \$000	Future ESTIMATE 2023/24 \$000	Future ESTIMATE 2024/25 \$000	Future ESTIMATE 2025/26 \$000	Future ESTIMATE 2026/27 \$000
Revenue and Expenditure Estimates							
Revenue	998,280	1,030,259	1,077,802	1,120,914	1,176,960	1,212,269	1,248,637
Current Account Expenditure(excl.debt service)	855,533	904,295	945,065	949,790	964,037	978,498	993,175
COVID-19 Contingency	126,143	35,124	0	0	0	0	0
Current Account Balance(excl. debt service)	16,604	90,840	132,737	171,124	212,923	233,771	255,461
Interest on Debt/Guarantee Mgmt.	145,110	132,824	129,750	129,750	129,750	129,750	129,750
Surplus (Deficit) Available for Capital Expenditure	(128,506)	(41,984)	2,987	41,374	83,173	104,021	125,711
Capital Expenditure	55,647	75,471	72,987	75,000	75,000	75,000	75,000
Budget Surplus (Deficit)	(184,153)	(117,455)	(70,000)	(33,626)	8,173	29,021	50,711
			Revenue Increase	4%	5%	3%	3%
			Expense Increase	0.5%	1.5%	1.5%	1.5%
Projected Net Debt		3,080,000	3,150,000	3,183,626	3,175,454	3,146,433	3,095,721
Debt Ceiling		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Debt to Revenue		299%	292%	284%	270%	260%	248%

Mr. Speaker, our public officers have gone two years without pay increases and continue to provide services under difficult circumstances. In that context, I am pleased to state that the increases that have been projected in the fiscal years 2024/25 and 2025/26 will be able to provide an uplift in salaries for public officers.

We are all in this together, and part of the Government’s mandate in its negotiation with its public officers is to enlist them to ensure that savings are met. It would be difficult, however, to ask public officers to wait a further two years for any salary increases. Therefore, salary increases for the near term will have to be funded by efficiency savings that exceed budget targets, and we will request our public officers and our union partners to work with us to identify and implement those savings.

## Managing Bermuda's Debt

Again, Mr. Speaker, I would like to begin my following remarks with a quotation from the 2021 Fiscal Responsibility Panel Annual Assessment, which said:

*Given the scale of Bermuda's debt, the possibility of a large, sustained rise in global interest rates remains one of the most serious risks facing Bermuda. The Government should be alive to opportunities to refinance debt falling due in the next few years while bond yields are still close to historic lows and spreads on Bermudian debt relative to Treasuries remain low. - 2021 Fiscal Responsibility Panel Annual Assessment [page 14]*

Mr. Speaker, this budget statement has highlighted the serious challenges that Bermuda is facing in many areas. In relation to the management of its debt, the key upcoming challenge is the need to refinance almost \$1 billion in debt over the next two years, with approximately \$500 million of it maturing in the upcoming fiscal year. As noted previously, there have already been positive developments, with actual and expected deficits coming in at lower levels than original estimates. Thus, it is expected that with continued careful fiscal management as detailed in this statement, the Sinking Fund will be sufficient to finance the anticipated deficits until we achieve a balanced budget.

However, Mr. Speaker, the current market environment for the required refinancing clearly presents risks in relation to effective management of future debt servicing costs. Interest rates in the US and other key countries have begun to trend higher, with further upward movement expected. Therefore, to address those risks, this Government will take steps to access the market to ensure that we can refinance our debt at historically low interest rates in line with the recommendation from the Fiscal Responsibility Panel.

## Tackling Underfunded Liabilities and Sustaining Pensions

Mr. Speaker, regarding pension reform, the 2021 Fiscal Responsibility Panel Annual Assessment stated:

*“Pension reform in Bermuda will, as elsewhere, require a combination of measures, including increased contributions (whether through raising contribution rates, the number of contributors, or some combination of the two), adjusted benefits, and higher retirement ages, reflecting increased longevity and working lives; all this is simply arithmetic. The alternative is that the funds will simply run out of money to pay future pensions.” - 2021 Fiscal Responsibility Panel Annual Assessment [page 27]*

Mr. Speaker, this Government recognised the importance and the need for reform of our social insurance system and public sector pension plan to ensure that pensions are there in the future for those who need them. Therefore, we commissioned McKinsey and Company, a global management consulting firm, to define a pathway for Bermuda’s pension system that will allow us to achieve sustainability.

Mr. Speaker, progressing such an initiative is critical to address the funding gaps that have continued to increase at ever-growing rates over recent years in both the Public Sector Superannuation Fund (PSSF) and the Contributory Pension Fund (CPF). The recently published 2020 Contributory Pension Fund Actuarial Report highlighted the importance of the CPF in providing a basic pension benefit to approximately 14,000 persons, of whom nearly 11,000 are seniors.

The Government also recognises that, for some people in our community, social insurance benefits are a much-needed component of their retirement income. And, for many public sector employees, the pension derived from the Public Sector Superannuation Fund is their primary source of income when they retire.

Mr. Speaker, similar to many countries around the globe, Bermuda is having to deal with challenges related to an ageing population. This reality, along with a shrinking workforce, has resulted in benefit payments growing at a much faster rate than contributions to these funds.

Mr. Speaker, although the investment performance of these funds has exceeded the relevant benchmarks, that has not been sufficient to stem the growth in the funding deficit of the Contributory Pension Fund and the Public Sector Superannuation Fund.

The 2020 Contributory Pension Fund Actuarial Report also estimated that the CPF is projected to decline steadily until it is exhausted in 2044 under the best estimate scenario, which is three years earlier than estimated in the previous review. A similar assessment of the Public Sector Superannuation Fund determined that without appropriate intervention the fund would be depleted in 2041.



Mr. Speaker, in this Budget Statement, we have already highlighted concrete steps that this Government has taken to demonstrate our commitment to, and focus on, “taking care” of our seniors. Commissioning McKinsey and Company to undertake this critical work was yet another positive and necessary initiative in this regard.

Mr. Speaker, under the leadership and guidance of the Ministry of Finance, as well as the Public Funds Investment Committee chaired by Mr. Barclay Simmons, McKinsey and Company has undertaken considerable work to develop a plan to strengthen the Bermuda pension system. To date, it has assessed the scope of the issues to be addressed and determined an appropriate strategy for achieving the desired objective.

There has been considerable dialogue with key stakeholders including ministers, union leaders and public sector employees, as well as international and local business leaders, to understand their perspectives and appetite for change. Through this process and the relevant analysis, McKinsey and Company has formulated a discrete set of reform combinations using three main levers, which are changes in benefits, contributions and retirement age.

Mr. Speaker, in the upcoming year, it is anticipated that using the feedback received and additional assessment, McKinsey will be able to further refine its reform combinations and, through further consultation, communication and education, will be able to finalise proposals for stabilising and strengthening the CPF and PSSF. Successful completion of this initiative will resolve a long-standing issue and be extremely positive for Bermuda, both from a domestic perspective, for our seniors, as well as an international one.

## Conclusion

Mr. Speaker, the opportunity to connect with individual voters is among the most fulfilling aspects of politics and public service. I canvass my constituency because it grounds me; it keeps me connected to those things that concern the people we were elected to serve. Constituents are candid and honest, and through my regular interactions with them, I hear a constant refrain: we know how hard you're working but keep going; keep working hard because we are counting on it.

Mr. Speaker, I venture to say that that is not unique to Constituency 18, and that up and down this country Honourable Members may hear similar sentiments. When I am tired and wonder if we will ever see our way out of the pandemic, or when I become frustrated because the pace of change is not as fast as I would like it to be, just a few hours in my constituency renews my energy. I draw on the hopes that others have for us as a Government and on the trust that has been placed in us by such an overwhelming majority. It is inspiring.

The wisdom of our constituents is mirrored in the Report of the Fiscal Responsibility Panel which said:

*“Bermuda has now largely emerged from the worst of the pandemic; in our view, with the right policies, the prospects of the Island are bright. The potential of the Island and its people should not be in doubt. While many long-standing challenges remain, policies to address them are being developed, and we were impressed by the sense of urgency on the part of the Government and the shared commitment of other stakeholders.” - 2021 Fiscal Responsibility Panel Annual Assessment [page 31]*

Mr. Speaker, the challenges of the moment are real but this Government has provided a solid platform for economic growth through the implementation of Bermuda's Economy Recovery Plan. The continued strength in the international business sector demonstrates that Bermuda remains an attractive domicile for this vital economic pillar. We are continuing to invest required resources, in a prudent and considered way, to protect and expand our revenue base. We are diversifying the economy through growth in fintech and related digital asset business. We are on the cusp of a redeveloped Fairmont Southampton hotel, which will create jobs and play a significant part in the renewal of tourism. There is hope for the future; not a vain hope, but one that is tangible and visible, and one in which the people can have faith and trust.

Today, this Bermuda Progressive Labour Party Government has delivered a budget that funds the critical programmes that we committed to in our election platform and in the most recent Throne Speech while providing relief to hardworking families and businesses. We remain on track with our debt targets, and have a clear path to a budget surplus. We are making vital investments in our future while transforming our economy and education system and delivering on our pledge of universal healthcare.

Mr. Speaker, the last two years have been tough, and I know that there are so many Bermudians who feel like they are losing hope. We have been tested like we have never been tested before, but as a country we will persevere. Bermuda has always innovated in order to survive, we have always adjusted our sails to ensure we are on the right course, and a once-in-a-century pandemic will not stop us from doing what we have always done over our history – coming together to build a better future for our children.

Mr. Speaker, we are building a Bermuda for the future. A Bermuda that is a leader in renewable energy; a Bermuda that is a leader in financial technology; a Bermuda that is at the forefront of financial services; a Bermuda with a renewed tourism industry that will deliver jobs and opportunities for residents; a Bermuda that welcomes foreign investment; a Bermuda that creates a nation of owners; a Bermuda that has a fairer tax system; and a Bermuda where affordable healthcare is a right, not a privilege.

Mr. Speaker, we listened during our time in opposition and executed our policies when we became the Government. We demonstrated that we are a government that put Bermudians first during the pandemic. We will build a better and fairer Bermuda for our children to call home, and this Government is the one that will continue to deliver the strong leadership required to transform our economy for the future.

Mr. Speaker, I am pleased, therefore, on behalf of the Government, to commend to this Honourable House the Estimates of Revenue & Expenditure for the Fiscal Year 2022/23.

Thank you, Mr. Speaker.

Table 1

**GOVERNMENT  
OF  
BERMUDA**

**SUMMARY OF  
CONSOLIDATED FUND  
ESTIMATES FOR 2022/23 TO 2024/25**

ACTUAL 2020/21 \$000		ORIGINAL ESTIMATE 2021/22 \$000	REVISED ESTIMATE 2021/22 \$000	ESTIMATE 2022/23 \$000	ESTIMATE 2023/24 \$000	ESTIMATE 2024/25 \$000
<b>Revenue and Expenditure Estimates</b>						
998,280	1	998,865	1,030,259	1,077,802	1,120,914	1,176,960
855,533	2	888,000	904,295	945,065	949,790	964,037
126,143	3	15,000	35,124	0	0	0
16,604	3	95,865	90,840	132,737	171,124	212,923
145,110	4	127,750	132,824	129,750	129,750	129,750
(128,506)		(31,885)	(41,984)	2,987	41,374	83,173
0	5	0	0	0	0	0
(128,506)	6	(31,885)	(41,984)	2,987	41,374	83,173
55,647	7	92,864	75,471	72,987	75,000	75,000
(184,153)	8	(124,749)	(117,455)	(70,000)	(33,626)	8,173
<b>Sources of Financing</b>						
0	9	0	0	0	0	0
184,153	10	124,749	117,455	70,000	33,626	(8,173)
184,153	11	124,749	117,455	70,000	33,626	(8,173)
<b>Capital Appropriations</b>						
85,008	12	92,864	75,471	72,987	75,000	75,000
4,677	13	0	0	0	0	0
89,685	14	92,864	75,471	72,987	75,000	75,000
0	15	0	0	0	0	0
(29,319)	16	0	0	0	0	0
60,366	17	92,864	75,471	72,987	75,000	75,000
0	18	0	4,719	0	0	0
60,366	19	92,864	80,190	72,987	75,000	75,000
55,647	20	92,864	75,471	72,987	75,000	75,000
4,719	21	0	4,719	0	0	0
<b>Consolidated Fund Balance (March 31)</b>						
1,000	22	1,000	1,000	1,000	1,000	1,000
4,719	23	0	4,719	0	0	0
(3,674,521)	24	(3,794,551)	(3,791,976)	(3,857,257)	(3,890,883)	(3,882,711)
<b>(3,668,802)</b>	25	<b>(3,793,551)</b>	<b>(3,786,257)</b>	<b>(3,856,257)</b>	<b>(3,889,883)</b>	<b>(3,881,711)</b>

TYPE	DESCRIPTIONS	2021/22	2022/23	2023/24	2024/25
Revenue	Growth, Tax Reform and Rate Increases	3.2%	7.9%	4.0%	5.0%
Expenditure	Spending Reductions/Increases	5.7%	6.4%	0.5%	1.5%
Debt Refinance	Senior Notes Due \$000		490,000	450,000	
Budget Surplus	Debt Re-purchases and/or Sinking Fund Contributions				up to 75%
<b>NET DEBT</b>	Position as at end of year	<b>3,118,984</b>	<b>3,188,984</b>	<b>3,222,610</b>	<b>3,206,264</b>

Table II

**ANALYSIS OF CURRENT ACCOUNT REVENUE**

HEAD (1)	REVENUE DESCRIPTION (2)	2020/21	2021/22	2021/22	2022/23	DIFFERENCE	
		ACTUAL (\$000) (3)	ORIGINAL (\$000) (4)	REVISED (\$000) (5)	ESTIMATE (\$000) (6)	2021/22 vs 2022/23 (\$000) (7)	% (8)
<b>TAXES &amp; DUTIES</b>							
12	CUSTOMS DUTY	202,218	200,610	223,047	228,216	27,606	14
27	SALE OF LAND TO NON-BERMUDIANS	5,834	5,500	9,000	8,000	2,500	45
29	TIMESHARING TAX	15	0	0	0	0	0
38	PASSENGER TAXES	(18)	4,500	1,181	12,854	8,354	186
38	STAMP DUTIES	23,701	22,127	30,005	27,200	5,073	23
38	BETTING TAX	428	71	95	95	24	34
38	LAND TAX	83,968	78,842	72,569	80,000	1,158	1
38	FOREIGN CURRENCY PURCHASE TAX	23,894	23,416	24,275	24,275	859	4
38	PAYROLL TAX	438,798	447,700	449,657	453,657	5,957	1
38	HOTEL OCCUPANCY	(528)	2,000	2,283	6,400	4,400	220
38	CORPORATE SERVICE TAX	5,324	6,104	4,848	4,848	(1,256)	(21)
38	FINANCIAL SERVICES TAX	13,349	11,790	13,001	13,501	1,711	15
38	TRANSPORT INFRASTRUCTURE TAX	0	2,000	225	5,900	3,900	195
<b>FEES, PERMITS &amp; LICENCES</b>							
03	LIQUOR LICENCES	82	534	400	400	(134)	(25)
12	OTHER CUSTOMS FEES & CHARGES	1,476	1,624	1,525	1,525	(99)	(6)
12	WHARFAGE	788	749	845	845	96	13
13	POST OFFICE	3,376	4,006	3,102	3,403	(603)	(15)
27	IMMIGRATION RECEIPTS	13,695	12,237	13,360	13,758	1,521	12
29	TRADE & SERVICE MARK	1,506	1,402	1,305	1,407	5	0
30	FERRY SERVICES	131	1,143	164	695	(448)	(39)
30	SERVICES TO SEABORNE SHIPPING	869	3,300	1,283	3,263	(37)	(1)
32	PLANNING FEES AND SEARCHES	1,155	1,077	1,137	1,233	156	14
34	VEHICLE LICENCES AND REGISTRATION	32,335	29,035	29,815	29,250	215	1
35	BUS REVENUES	1,173	2,849	1,585	2,849	0	0
36	SOLID WASTE	4,134	5,410	4,506	4,299	(1,111)	(21)
36	WATER	4,662	4,999	3,508	3,659	(1,340)	(27)
36	RENTALS	2,133	1,981	2,369	2,634	653	33
39	COMPANIES - INTERNATIONAL	62,085	69,397	65,535	63,840	(5,557)	(8)
39	COMPANIES LOCAL	2,806	2,737	2,737	2,700	(37)	(1)
39	COMPANIES LICENCES	696	959	845	865	(94)	(10)
48	CIVIL AVIATION RECEIPTS	18,499	10,000	16,375	17,800	7,800	78
79	PLANT PRODUCTION & MARKETING CTRE	206	168	150	191	23	14
89	TELECOMMUNICATIONS RECEIPTS	17,010	15,558	18,297	16,757	1,199	8
<b>OTHER RECEIPTS</b>							
03	FINES AND FORFEITURES	1,902	3,235	1,755	2,521	(714)	(22)
11	INTEREST ON DEPOSITS	2,411	2,000	1,754	1,200	(800)	(40)
	OTHER REVENUE	28,167	19,805	27,721	37,762	17,957	91
		<b>998,280</b>	<b>998,865</b>	<b>1,030,259</b>	<b>1,077,802</b>	<b>78,937</b>	<b>8</b>

Table III

**SUMMARY BY DEPARTMENT OF CURRENT ACCOUNT EXPENDITURE**

HEAD (1)	DESCRIPTION (2)	2020/21	2021/22	2021/22	2022/23 ESTIMATE (\$000) (6)	DIFFERENCE 2021/22 vs 2022/23	
		ACTUAL (\$000) (3)	ORIGINAL (\$000) (4)	REVISED (\$000) (5)		(\$000) (7)	% (8)
<b>NON-MINISTRY DEPARTMENTS</b>							
01	GOVERNOR & STAFF	1,214	1,279	1,254	1,353	74	6
02	LEGISLATURE	4,707	5,289	5,041	5,288	(1)	(0)
05	OFFICE OF THE AUDITOR	3,357	3,988	3,246	4,082	94	2
56	HUMAN RIGHTS COMMISSION	1,035	1,200	1,149	1,216	16	1
63	PARLIAMENTARY REGISTRAR	1,355	1,346	762	1,022	(324)	(24)
85	OMBUDSMAN'S OFFICE	1,021	990	978	990	0	0
92	INTERNAL AUDIT	1,113	1,356	1,165	1,320	(36)	(3)
98	INFORMATION COMMISSIONER'S OFFICE	800	990	935	1,048	58	6
101	PRIVACY COMMISSIONER'S OFFICE	322	582	577	990	408	70
		<b>14,924</b>	<b>17,020</b>	<b>15,107</b>	<b>17,309</b>	<b>289</b>	<b>2</b>
<b>CABINET OFFICE DEPARTMENTS</b>							
09	CABINET OFFICE	31,014	39,022	42,185	32,162	(6,860)	(18)
13	POST OFFICE	9,048	9,194	9,150	8,935	(259)	(3)
26	DEPT. OF HUMAN RESOURCES	3,039	0	0	0	0	0
43	DEPT. OF INFORMATION & DIGITAL TECH.	7,121	7,932	7,892	7,708	(224)	(3)
51	DEPT. OF COMMUNICATIONS	2,745	2,890	2,890	2,808	(82)	(3)
61	DEPT. OF EMP & ORG. DEVELOPMENT	1,561	6,897	6,069	6,704	(193)	(3)
80	PROJECT MANAGEMENT & PROCUREMENT	563	682	584	800	118	17
		<b>55,091</b>	<b>66,617</b>	<b>68,770</b>	<b>59,117</b>	<b>(7,500)</b>	<b>(11)</b>
<b>MINISTRY OF LEGAL AFFAIRS &amp; CONSTITUTIONAL REFORM</b>							
87	MIN. OF LEGAL AFF. & CONSTIT. REF. HQ	5,384	5,802	5,385	5,858	56	1
03	JUDICIAL DEPARTMENT	6,931	8,808	8,477	8,919	111	1
04	ATTORNEY GENERAL'S CHAMBERS	5,004	5,437	4,847	5,556	119	2
74	DEPT. OF COURT SERVICES	3,800	4,656	4,511	4,711	55	1
75	DEPT. OF PUBLIC PROSECUTIONS	2,917	2,961	2,961	3,362	401	14
88	NATIONAL DRUG CONTROL	3,689	4,292	4,271	4,311	19	0
		<b>27,725</b>	<b>31,956</b>	<b>30,452</b>	<b>32,717</b>	<b>761</b>	<b>2</b>
<b>MINISTRY OF FINANCE</b>							
10	MIN. OF FINANCE HQ	6,445	16,889	19,783	6,943	(9,946)	(59)
11	ACCOUNTANT GENERAL	60,776	72,261	71,054	87,289	15,028	21
28	SOCIAL INSURANCE	4,911	4,611	4,081	3,942	(669)	(15)
38	OFFICE OF THE TAX COMMISSIONER	3,467	3,685	3,235	4,113	428	12
39	REGISTRAR OF COMPANIES	3,902	4,817	4,793	7,602	2,785	58
58	DEBT & LOAN GUARANTEES	145,110	127,750	132,824	129,750	2,000	2
		<b>224,611</b>	<b>230,013</b>	<b>235,770</b>	<b>239,639</b>	<b>9,626</b>	<b>4</b>
<b>MINISTRY OF EDUCATION</b>							
16	MIN. OF EDUCATION HQ	3,485	4,160	4,114	5,341	1,181	28
17	DEPT. OF EDUCATION	105,101	105,592	105,024	112,328	6,736	6
18	LIBRARIES & ARCHIVES	2,856	2,975	2,948	3,027	52	2
41	BERMUDA COLLEGE	15,906	15,383	15,383	14,654	(729)	(5)
		<b>127,348</b>	<b>128,110</b>	<b>127,469</b>	<b>135,350</b>	<b>7,240</b>	<b>6</b>

Table III

**SUMMARY BY DEPARTMENT OF CURRENT ACCOUNT EXPENDITURE**  
- continued

HEAD (1)	DESCRIPTION (2)	2020/21	2021/22	2021/22	2022/23	DIFFERENCE	
		ACTUAL (\$000) (3)	ORIGINAL (\$000) (4)	REVISED (\$000) (5)	ESTIMATE (\$000) (6)	2021/22 vs 2022/23 (\$000) (7)	% (8)
<b>MINISTRY OF HEALTH</b>							
21	MIN. OF HEALTH HQ	24,901	9,408	21,861	15,890	6,482	69
22	DEPT. OF HEALTH	27,001	27,912	26,733	28,690	778	3
24	HOSPITALS	147,251	147,251	158,351	147,251	0	0
91	HEALTH INSURANCE	3,358	2,669	3,153	2,669	0	0
		<b>202,511</b>	<b>187,240</b>	<b>210,098</b>	<b>194,500</b>	<b>7,260</b>	<b>4</b>
<b>MINISTRY OF ECONOMY &amp; LABOUR</b>							
44	MIN. OF ECONOMY & LABOUR HQ	0	1,458	1,387	1,589	131	9
14	DEPT. OF STATISTICS	2,107	2,234	2,126	2,171	(63)	(3)
27	IMMIGRATION	4,211	5,234	5,208	5,518	284	5
55	FINANCIAL ASSISTANCE	52,764	51,406	52,394	52,960	1,554	3
60	WORKFORCE DEVELOPMENT	62,108	3,602	3,222	4,004	402	11
94	DEPT. OF ECONOMIC DEVELOPMENT	1,113	2,130	1,410	7,695	5,565	261
		<b>122,303</b>	<b>66,064</b>	<b>65,747</b>	<b>73,937</b>	<b>7,873</b>	<b>12</b>
<b>MINISTRY OF TRANSPORT</b>							
48	MIN. OF TRANSPORT HQ	59,634	15,504	31,457	30,054	14,550	94
30	MARINE & PORTS	16,896	19,572	18,833	19,713	141	1
34	TRANSPORT CONTROL DEPARTMENT	4,270	4,496	4,496	4,482	(14)	(0)
35	PUBLIC TRANSPORTATION	18,421	19,532	20,362	17,788	(1,744)	(9)
		<b>99,221</b>	<b>59,104</b>	<b>75,148</b>	<b>72,037</b>	<b>12,933</b>	<b>22</b>
<b>MINISTRY OF PUBLIC WORKS</b>							
36	MIN. OF PUBLIC WORKS HQ	12,379	5,612	5,384	5,625	13	0
53	BERMUDA HOUSING CORP	5,438	6,050	6,050	6,050	0	0
68	PARKS	7,662	8,762	7,280	9,458	696	8
81	PUBLIC LANDS & BUILDINGS	18,853	19,610	19,081	20,410	800	4
82	WORKS & ENGINEERING	31,834	26,976	28,198	27,716	740	3
		<b>76,166</b>	<b>67,010</b>	<b>65,993</b>	<b>69,259</b>	<b>2,249</b>	<b>3</b>
<b>MINISTRY OF YOUTH, CULTURE &amp; SPORTS</b>							
71	MIN. OF YOUTH, CULTURE & SPORTS HQ	1,427	1,369	990	1,273	(96)	(7)
20	YOUTH, SPORT & RECREATION	8,633	9,591	9,291	9,616	25	0
52	DEPARTMENT OF CULTURE	873	1,973	1,373	1,980	7	0
		<b>10,933</b>	<b>12,933</b>	<b>11,654</b>	<b>12,869</b>	<b>(64)</b>	<b>(0)</b>
<b>MINISTRY OF NATIONAL SECURITY</b>							
83	MIN. OF NATIONAL SECURITY HQ	3,375	1,995	3,067	2,018	23	1
06	DEFENCE	13,021	7,282	8,815	7,857	575	8
07	POLICE	63,702	61,298	60,992	62,158	860	1
12	CUSTOMS	15,972	16,086	16,006	16,575	489	3
25	DEPT. OF CORRECTIONS	25,558	22,829	22,715	22,893	64	0
45	FIRE SERVICES	13,577	13,137	13,072	13,212	75	1
		<b>135,205</b>	<b>122,627</b>	<b>124,667</b>	<b>124,713</b>	<b>2,086</b>	<b>2</b>

Table III

**SUMMARY BY DEPARTMENT OF CURRENT ACCOUNT EXPENDITURE**  
**- continued**

HEAD (1)	DESCRIPTION (2)	2020/21	2021/22	2021/22	2022/23	DIFFERENCE	
		ACTUAL (\$000) (3)	ORIGINAL (\$000) (4)	REVISED (\$000) (5)	ESTIMATE (\$000) (6)	2021/22 vs 2022/23 (\$000) (7)	% (8)
<b>MINISTRY OF SOCIAL DEVELOPMENT &amp; SENIORS</b>							
86	MIN. OF SOCIAL DEVELOP. & SENIORS HQ	0	6,084	6,560	6,925	841	14
23	CHILD & FAMILY SERVICES	14,550	17,649	17,055	17,666	17	0
		<b>14,550</b>	<b>23,733</b>	<b>23,615</b>	<b>24,591</b>	<b>858</b>	<b>4</b>
<b>MINISTRY OF HOME AFFAIRS</b>							
93	MIN. OF HOME AFFAIRS HQ	1,658	2,676	2,580	2,811	135	5
29	REGISTRY GENERAL	1,507	1,047	1,020	1,649	602	57
32	DEPT. OF PLANNING	2,693	3,390	3,322	3,349	(41)	(1)
49	LAND VALUATION	820	994	920	1,008	14	1
79	ENVIRONMENT AND NATURAL RESOURCES	7,440	8,038	7,842	8,084	46	1
89	ENERGY	871	790	786	484	(306)	(39)
97	LAND TITLE & REGISTRATION	1,209	1,388	1,283	1,392	4	0
		<b>16,198</b>	<b>18,323</b>	<b>17,753</b>	<b>18,777</b>	<b>454</b>	<b>2</b>
		<b>1,126,786</b>	<b>1,030,750</b>	<b>1,072,243</b>	<b>1,074,815</b>	<b>44,065</b>	<b>4</b>



Table IV

## ANALYSIS OF CURRENT ACCOUNT EXPENDITURE BY OBJECT ACCOUNT

EXPENDITURE						DIFFERENCE	
OBJECT CODE DESCRIPTION	2020/21	2021/22	2021/22	2022/23	2021/22 vs 2022/23		
	ACTUAL	ORIGINAL	REVISED	ESTIMATE	(\$000)	%	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SALARIES	298,993	319,157	308,860	331,699	12,542	4	
WAGES	76,859	65,343	59,686	66,356	1,013	2	
EMPLOYER OVERHEAD	54,948	66,306	65,232	80,848	14,542	22	
OTHER PERSONNEL COSTS	4,384	5,201	5,252	4,829	(372)	(7)	
TRAINING	1,291	2,851	2,360	2,834	(17)	(1)	
TRANSPORT	1,919	2,093	1,795	1,944	(149)	(7)	
TRAVEL	441	2,612	2,290	2,767	155	6	
COMMUNICATIONS	6,109	7,560	7,313	7,255	(305)	(4)	
ADVERTISING & PROMOTION	1,250	2,566	1,661	1,684	(882)	(34)	
PROFESSIONAL SERVICES	66,882	49,686	68,462	62,641	12,955	26	
RENTALS	11,406	12,340	12,850	11,926	(414)	(3)	
REPAIR & MAINTENANCE	16,922	18,688	18,830	19,776	1,088	6	
INSURANCE	6,869	9,116	11,001	9,232	116	1	
ENERGY	11,219	15,923	14,760	14,847	(1,076)	(7)	
CLOTHING & UNIFORMS	1,109	1,107	1,033	1,094	(13)	(1)	
MATERIALS & SUPPLIES	21,716	33,303	23,013	23,452	(9,851)	(30)	
EQUIPMENT	4,772	1,480	2,573	599	(881)	(60)	
OTHER EXPENSES	2,882	3,387	3,324	3,609	222	7	
RECEIPTS CREDITED TO PROG	(163)	(21,852)	(9,725)	(20,752)	1,100	(5)	
GRANTS & CONTRIBUTIONS	407,615	306,038	344,013	320,330	14,292	5	
PUBLIC DEBT CHARGES	129,363	127,845	127,660	127,845	0	0	
	<b>1,126,786</b>	<b>1,030,750</b>	<b>1,072,243</b>	<b>1,074,815</b>	<b>44,065</b>	<b>4</b>	

Table V

**GOVERNMENT DEBT TRANSACTIONS & AMOUNTS  
OUTSTANDING 2011/12 TO 2024/25**

YEAR	GROSS BORROWING	REPAYMENTS	NET BORROWING (REPAYMENTS)	GROSS DEBT OUTSTANDING	MEMORANDA INTEREST ON DEBT
(1)	(\$000) (2)	(\$000) (3)	(\$000) (4)	(\$000) (5)	(\$000) (6)
2011/12	263,230	0	0	1,350,720	70,000
2012/13	223,280	0	0	1,574,000	81,576
2013/14	800,000	69,000	731,000	2,305,000	(i) 109,245
2014/15	0	120,000	(120,000)	2,185,000	113,223
2015/16	150,000	0	150,000	2,335,000	116,217
2016/17	212,169	63,234	148,935	2,483,935	121,500
2017/18	85,000	0	85,000	2,568,935	119,500
2018/19	620,000	508,935	111,065	2,680,000	124,031
2019/20 (iii)	187,361	180,000	7,361	2,687,361	(iii) 120,482
2020/21	662,639	0	662,639	3,350,000	129,363
2021/22 (Rev)	117,455	117,455	0	3,350,000	127,750
2022/23 (Est)	70,000	70,000	0	3,350,000	127,750
2023/24 (Est)	33,626	33,626	0	3,350,000	127,750
2024/25 (Est)(ii)	(8,173)	0	(8,173)	3,341,827	127,750

(i) In 2013/14 - \$51M of Interest on Debt was funded from the Sinking Fund

(ii) Budget Surplus up to 75% towards Debt re-purchase and/or Sinking Fund Contributions

(iii) In 2019/20 Gross Debt includes \$182.4M borrowing in relation to Morgan's Points/Caroline Bay Loan Guarantee commitments, along with \$3.8M interest incurred on this borrowing

Table VI  
**BERMUDA GOVERNMENT  
DEBT AND LOAN GUARANTEES**

**UTILISATION OF STATUTORY BORROWING POWERS**

<b>ACTUAL 2020/21 (\$000)</b>	<b>DETAILS</b>	<b>REVISED ESTIMATE 2021/22 (\$000)</b>	<b>ESTIMATE 2022/23 (\$000)</b>
	DEBT & LOAN GUARANTEES OUTSTANDING AS OF MARCH 31		
3,350,000	BORROWINGS UNDER LOAN FACILITIES (GOVT)	3,350,000	3,350,000
3,350,000	TOTAL DEBT OUTSTANDING (GOVT)	3,350,000	3,350,000
348,471	Less: SINKING FUND CONTRIBUTIONS (i)	231,016	161,016
3,001,529	NET CUMULATIVE GOVERNMENT DEBT & GUARANTEES OUTSTANDING (ii)	3,118,984	3,188,984

- (i) Government introduced a Sinking fund with effect 31st March, 1993. The intent being to set aside a sum equivalent to 2.5% of the public debt outstanding at the end of the preceding year, in order to repay the principal sum borrowed after approximately 20 years.

In 2013 the Government Loans Act 1978 was amended to allow excess funds borrowed to be deposited and extracted from the Sinking Fund to fund future years.

With effect from August, 2020, the statutory debt limit was increased to \$3.5 billion.

- (ii) The Government has the following guarantees:

<b>Guarantee</b>	<b>\$ Millions</b>
Bermuda Housing Corporation	29.3
West End Development Corporation	71.8
Bermuda Economic Development Corporation	1.5
Bermuda Hospitals Board	787.7
Morgan's Point/Caroline Bay	165.0
Bermuda Tourism Authority	10.0
Bermuda Casino Gaming Commission	2.7
Hotel Bermuda Holdings Ltd.	25.0
Bermuda Land Development Corporation	30.0
Bermudiana Development Company Limited	10.0
National Sports Centre	3.2
InnoFund	2.5

- (iii) With effect 1st April, 2011 these guarantees are no longer charged against the statutory debt ceiling unless the guarantee obligation becomes due and payable by the Government, pursuant to the amended Gov't Loans Act 1978. The total amount of utilized Loan Facilities are restricted by the Government Loans Act 1978, as amended.

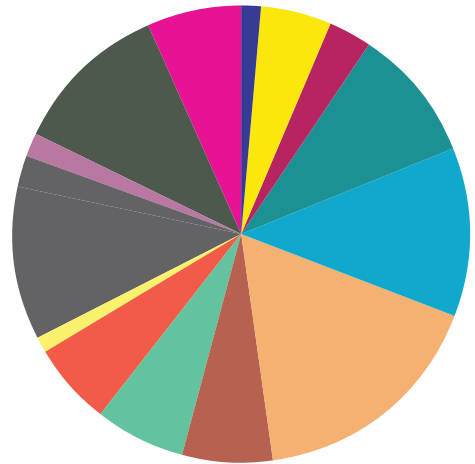
Table VII

**PROFESSIONAL SERVICES**

ACCOUNT DESCRIPTION		ACTUAL	ORIGINAL	REVISED	ESTIMATE
(1)	(2)	2020/21	ESTIMATE	ESTIMATE	ESTIMATE
		(\$000)	2021/22	2021/22	2022/23
		(3)	(\$000)	(\$000)	(\$000)
			(4)	(5)	(6)
	5260 Local Consultants	27,313	12,852	19,797	21,228
	5265 Overseas Consultants	7,001	8,272	11,328	9,294
	5270 Contractors	16,928	14,415	21,976	18,447
	5275 Medical	5,819	4,674	5,007	4,866
	5280 Optical Services	21	22	25	22
	5285 Educational Services	105	177	146	203
	5290 Chiropodist Services	1	6	3	4
	5295 Psychological Services	38	20	20	20
	5300 Dental Services	44	66	96	66
	5305 War Pension Award	1,320	1,499	1,232	1,119
	5310 Counselling Services	252	371	397	399
	5315 Child Care Services	71	190	190	190
	5320 Recreational Services	166	285	280	312
	5325 Legal Services	3,342	2,231	2,743	2,028
	5330 Liquidation Fees	22	50	50	50
	5340 Membership Fees - Govt.	310	381	382	420
	5345 Forensic/Lab Services	229	550	551	583
	5350 Forensic/lab accounting	49	127	127	127
	5355 Security Services	2,520	1,503	2,251	1,295
	5360 Conservation Services	7	32	5	0
	5365 Animal Control Services	23	28	28	28
	5370 Board & Comm. Fees	586	1,219	1,174	1,103
	5375 ID Parade - Police	10	20	20	20
	5380 Jury & Witness Fees	44	110	110	110
	5385 Court Costs	32	81	49	37
	5390 Audit Fees	0	55	25	70
	5395 Examination Fees	544	450	450	600
	5415 Research Related Expenses	85	0	0	0
		<b>66,882</b>	<b>49,686</b>	<b>68,462</b>	<b>62,641</b>

## Estimated Expenditure 2022/23 in BD\$ Millions

■ Non-Ministry.....	17.3
■ Cabinet Office Departments.....	59.1
■ Legal Affairs & Constitutional Reform.....	32.7
■ Finance.....	109.9
■ Education .....	135.4
■ Health .....	194.5
■ Economy & Labour.....	73.9
■ Transport .....	72.0
■ Public Works .....	69.3
■ Youth, Culture & Sports .....	12.9
■ National Security.....	124.7
■ Social Development & Seniors.....	24.6
■ Home Affairs .....	18.8
■ Interest/Guarantee Mgmt.....	129.8
■ Capital Estimate.....	73.0



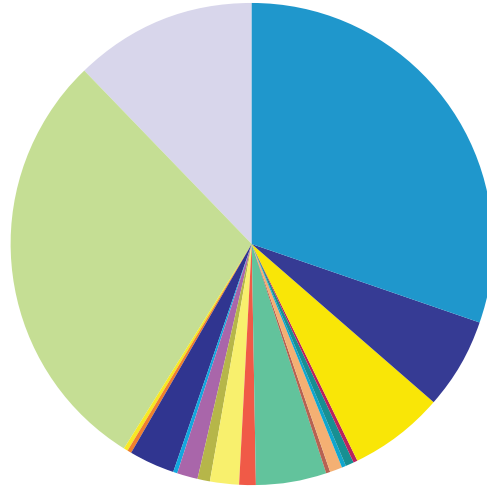
### Categories of expenditure expressed as a percentage of total estimated expenditure for 2022/23 of \$1,147.8 million



— Non-Ministry.....	1.5
— Cabinet Office Departments.....	5.2
— Legal Affairs & Constitutional Reform.....	2.9
— Finance.....	9.6
— Education .....	11.8
— Health .....	16.9
— Economy & Labour.....	6.4
— Transport .....	6.3
— Public Works .....	6.0
— Youth, Culture & Sports .....	1.1
— National Security.....	10.9
— Social Development & Seniors.....	2.1
— Home Affairs .....	1.6
— Interest/Guarantee Mgmt.....	11.3
— Capital Estimate.....	6.4

## Estimated Expenditure 2022/23 in BD\$ Millions

Total Current Account Expenditure \$1,074.8, excluding Capital Expenditure

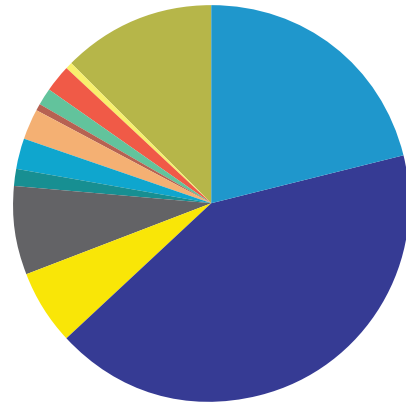


Salaries.....	331.7
Wages.....	66.4
Employer Overhead.....	80.8
Other Personnel Costs.....	4.8
Training.....	2.8
Transport.....	1.9
Travel.....	2.8
Communications.....	7.3
Advertising & Promotion.....	1.7
Professional Services.....	62.6
Rentals.....	11.9
Repair and Maintenance.....	19.8
Insurance.....	9.2
Energy.....	14.8
Clothing, Uniforms, Laundry.....	1.1
Materials & Supplies.....	23.5
Equipment Purchases.....	0.6
Other Expenses.....	3.6
Receipts to Credited to Program.....	-20.8
Govt. Grants & Contributions.....	320.3
Debt Charges.....	127.8

## Estimated Revenue 2022/23 in BD\$ Millions

Total Revenue \$1,077.8 million

■ Customs .....	228.2
■ Payroll Tax .....	453.7
■ Companies Fees .....	63.8
■ Land Tax.....	80.0
■ Passenger Tax .....	12.9
■ Vehicle Licences.....	29.3
■ Stamp Duties.....	27.2
■ Hotel Occupancy.....	6.4
■ Immigration .....	13.8
■ Foreign Currency.....	24.3
■ Transport Infrastructure Tax.....	5.9
■ All Other.....	132.5



### Categories of revenue expressed as a percentage of total estimated revenue for 2022/23 of \$1,077.8 million



— Customs .....	21.2
— Payroll Tax.....	42.1
— Companies Fees .....	5.9
— Land Tax .....	7.4
— Passenger Tax .....	1.2
— Vehicle Licences .....	2.7
— Stamp Duties.....	2.5
— Hotel Occupancy .....	0.6
— Immigration .....	1.3
— Foreign Currency.....	2.3
— Transport Infrastructure Tax.....	0.5
— All Other.....	12.3

Table XI

<b>Employee Tax Rate</b>				
Income Band	FY 17/18	FY 18/19	FY 20/21	FY 22/23
Less than or equal to \$48,000	4.75%	4.00%	2.00%	1.50%
\$48,001 to \$96,000	5.75%	6.50%	8.50%	9.00%
\$96,001 to \$235,000	7.75%	7.75%	9.00%	9.00%
\$235,001 and above	8.75%	8.75%	9.50%	9.50%

<b>Illustrative incremental savings in Payroll Tax for Employees Earning \$96,000 or Less</b>				
Taxable Remuneration	FY 17/18 Tax Payable	FY22/F23 Tax Payable	Reduction in Taxes in FY 22/23 relative to FY 17/18	Cumulative Tax Savings in 2018, 2019, 2020, 2021, 2022
\$35,000	\$1,663	\$525	(\$1,138)	\$(3,587.50)
\$36,000	\$1,710	\$540	(\$1,170)	\$(3,690.00)
\$37,000	\$1,758	\$555	(\$1,203)	\$(3,792.50)
\$38,000	\$1,805	\$570	(\$1,235)	\$(3,895.00)
\$39,000	\$1,853	\$585	(\$1,268)	\$(3,997.50)
\$40,000	\$1,900	\$600	(\$1,300)	\$(4,100.00)
\$41,000	\$1,948	\$615	(\$1,333)	\$(4,202.50)
\$42,000	\$1,995	\$630	(\$1,365)	\$(4,305.00)
\$43,000	\$2,043	\$645	(\$1,398)	\$(4,407.50)
\$44,000	\$2,090	\$660	(\$1,430)	\$(4,510.00)
\$45,000	\$2,138	\$675	(\$1,463)	\$(4,612.50)
\$46,000	\$2,185	\$690	(\$1,495)	\$(4,715.00)
\$47,000	\$2,233	\$705	(\$1,528)	\$(4,817.50)
<b>\$48,000</b>	<b>\$2,280</b>	<b>\$720</b>	<b>(\$1,560)</b>	<b>\$(4,920.00)</b>
\$49,000	\$2,338	\$810	(\$1,528)	\$(4,817.50)
\$50,000	\$2,395	\$900	(\$1,495)	\$(4,715.00)
\$51,000	\$2,453	\$990	(\$1,463)	\$(4,612.50)
\$52,000	\$2,510	\$1,080	(\$1,430)	\$(4,510.00)
\$53,000	\$2,568	\$1,170	(\$1,398)	\$(4,407.50)
\$54,000	\$2,625	\$1,260	(\$1,365)	\$(4,305.00)
\$55,000	\$2,683	\$1,350	(\$1,333)	\$(4,202.50)
\$56,000	\$2,740	\$1,440	(\$1,300)	\$(4,100.00)
\$57,000	\$2,798	\$1,530	(\$1,268)	\$(3,997.50)
\$58,000	\$2,855	\$1,620	(\$1,235)	\$(3,895.00)
\$59,000	\$2,913	\$1,710	(\$1,203)	\$(3,792.50)
\$60,000	\$2,970	\$1,800	(\$1,170)	\$(3,690.00)
\$61,000	\$3,028	\$1,890	(\$1,138)	\$(3,587.50)



Taxable Remuneration	FY 17/18 Tax Payable	FY22/F23 Tax Payable	Reduction in Taxes in FY 22/23 relative to FY 17/18	Cumulative Tax Savings in 2018, 2019, 2020, 2021, 2022
\$62,000	\$3,085	\$1,980	(\$1,105)	\$(3,485.00)
\$63,000	\$3,143	\$2,070	(\$1,073)	\$(3,382.50)
\$64,000	\$3,200	\$2,160	(\$1,040)	\$(3,280.00)
\$65,000	\$3,258	\$2,250	(\$1,008)	\$(3,177.50)
\$66,000	\$3,315	\$2,340	(\$975)	\$(3,075.00)
\$67,000	\$3,373	\$2,430	(\$943)	\$(2,972.50)
\$68,000	\$3,430	\$2,520	(\$910)	\$(2,870.00)
\$69,000	\$3,488	\$2,610	(\$878)	\$(2,767.50)
\$70,000	\$3,545	\$2,700	(\$845)	\$(2,665.00)
\$71,000	\$3,603	\$2,790	(\$813)	\$(2,562.50)
\$72,000	\$3,660	\$2,880	(\$780)	\$(2,460.00)
\$73,000	\$3,718	\$2,970	(\$748)	\$(2,357.50)
\$74,000	\$3,775	\$3,060	(\$715)	\$(2,255.00)
\$75,000	\$3,833	\$3,150	(\$683)	\$(2,152.50)
\$76,000	\$3,890	\$3,240	(\$650)	\$(2,050.00)
\$77,000	\$3,948	\$3,330	(\$618)	\$(1,947.50)
\$78,000	\$4,005	\$3,420	(\$585)	\$(1,845.00)
\$79,000	\$4,063	\$3,510	(\$553)	\$(1,742.50)
\$80,000	\$4,120	\$3,600	(\$520)	\$(1,640.00)
\$81,000	\$4,178	\$3,690	(\$488)	\$(1,537.50)
\$82,000	\$4,235	\$3,780	(\$455)	\$(1,435.00)
\$83,000	\$4,293	\$3,870	(\$423)	\$(1,332.50)
\$84,000	\$4,350	\$3,960	(\$390)	\$(1,230.00)
\$85,000	\$4,408	\$4,050	(\$358)	\$(1,127.50)
\$86,000	\$4,465	\$4,140	(\$325)	\$(1,025.00)
\$87,000	\$4,523	\$4,230	(\$293)	\$(922.50)
\$88,000	\$4,580	\$4,320	(\$260)	\$(820.00)
\$89,000	\$4,638	\$4,410	(\$228)	\$(717.50)
\$90,000	\$4,695	\$4,500	(\$195)	\$(615.00)
\$91,000	\$4,753	\$4,590	(\$163)	\$(512.50)
\$92,000	\$4,810	\$4,680	(\$130)	\$(410.00)
\$93,000	\$4,868	\$4,770	(\$98)	\$(307.50)
\$94,000	\$4,925	\$4,860	(\$65)	\$(205.00)
\$95,000	\$4,983	\$4,950	(\$33)	\$(102.50)
\$96,000	\$5,040	\$5,040	\$0	\$0



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