



MINISTERIAL STATEMENT
To the House of Assembly
By The Hon. David Burt, JP, MP
Premier and Minister of Finance
Government Fiscal Performance Update

2nd October 2026

Mr Speaker, I rise today to provide this Honourable House and the people of Bermuda with an update on the Government's preliminary financial performance for fiscal year 2025/26, and to set out how the progress we have made will guide this Government's next phase of relief for Bermudians.

Mr Speaker, before I give an update, we must remember where we started. When this Government took office in 2017, Bermuda was running significant annual deficits. The previous Government's budget projected a deficit of \$135 million, net debt stood at \$2.4 billion, and workers faced the highest payroll tax rates in our history.

Mr Speaker, in my first Budget Statement as Minister of Finance in 2018, I acknowledged the difficult state of Bermuda's finances, but I also set out the approach this Government would take to turn them around. I said that while we would reduce expenses where we could, we would also continue to invest to grow our economy and create jobs because "the stronger our economic growth, the quicker we can repay our outstanding debt."

Mr Speaker, this Government had to deal with the failure of the Morgan's Point development and honour the \$165 million guarantee entered into by the former OBA Government, a guarantee we did not support while in Opposition. This Government was required to borrow \$200 million and increase the debt ceiling to meet that obligation.

We then faced an unprecedented global pandemic, followed by the economic fallout from the war in Ukraine, disruption to global supply chains, 40-year-high global inflation, rising interest rates and significant volatility in global energy and fuel prices. More recently, continuing conflicts and geopolitical uncertainty have placed further pressure on the global economy.

With the successful execution of Bermuda's Economic Recovery Plan, Bermuda has returned to economic growth, unemployment has fallen to its lowest level in more than half a century, and the Government has moved from borrowing to fund annual deficits to being in a position to reduce debt and make greater investments in our people and infrastructure. All while we reduced the tax burden on workers from the highest levels in history under the previous Government to the lowest levels we have ever had.

And, **Mr Speaker**, when the global tax landscape changed, Bermuda did not stand still. We worked closely with industry to develop and implement a Corporate Income Tax regime that meets the new global minimum tax standards while protecting Bermuda's competitiveness. While other jurisdictions stood still, we adapted to a significant change in the global tax system and turned what could have been a challenge for Bermuda into an opportunity to strengthen our position for the future.

That is the context in which I present the numbers today, which demonstrate the very different position Bermuda finds itself in today compared with where we started.

Mr Speaker, audit work of the Government's Consolidated Fund Financial Statements for the year ending 31 March 2026 is ongoing within the Office of the Auditor General. Once the audited financial statements are complete, they will be tabled in both Houses of the Legislature.

Mr Speaker, based on the preliminary 2025/26 financial performance analysis, total revenue for fiscal year 2025/26 is projected at \$1.57 billion, \$143.5 million (10.0%) above the original 2025/26 estimate of \$1.43 billion.

Mr Speaker, the continued growth in the economy improved the revenue estimates with an increase in Corporate Income Tax collections, which are projected to be \$291 million, which is \$103.5 million above the original estimate of \$187.5 million, along with Payroll Tax receipts of \$637 million, \$15 million above the original estimate of \$622 million.

Mr Speaker, current account expenditure, excluding interest, is expected to be \$1.13 billion, \$24.8 million (2.2%) above the 2025/26 original estimate of \$1.11 billion.

Capital account expenditures are projected to be \$142 million, \$7.8 million below the 2025/26 original estimate of \$149.8 million. Interest and Guarantee Management costs are projected to be \$127.8 million, compared with the original budget estimate of \$127.5 million.

Mr Speaker, the preliminary analysis projects a budget surplus of \$169.6 million for 2025/26. That is \$126.3 million above the original budget estimate of \$43.3 million, and almost four times the surplus originally projected. It is a significant improvement in Bermuda's public finances, achieved while continuing to invest in the services and infrastructure our people need.

This included a \$30 million subsidy grant to the Bermuda Hospitals Board to support its obligations to employees following wage negotiations; \$2.4 million for Public Service Superannuation Fund overhead costs; \$1 million for mental health support for Government Employees Health Insurance clients; and \$1 million for additional police officers.

Capital expenditure also supported essential investments: \$18.5 million in capital grant funding for the Bermuda Hospitals Board, \$8.9 million for the Bermuda Housing Corporation to invest in more affordable housing, \$8.6 million for two new fast ferries, \$8.4 million for roadworks and \$6.4 million for stabilisation of the Tynes Bay Waste-to-Energy Facility.

Mr Speaker, stronger public finances give the Government the capacity to invest in the services and infrastructure Bermudians depend on. This Government has made those investments before, and we will continue to do so. But we know that many Bermudians are still struggling with the cost of food, housing, healthcare and other necessities. An improvement in the Government's finances must mean relief for those families and more of their hard-earned money staying in their pockets.

Mr Speaker, in the 2022/23 Budget, I spoke of "Relief Now and More Relief to Come" in that budget this Government followed through on its word and reduced payroll taxes for workers earning less than \$96,000, cut private car licensing fees by 10 per cent, provided land tax relief for charities and nursing homes, extended relief for our hospitality industry and ensured there was no across-the-board increase in Government fees.

And we said then that if Government's financial performance was better than expected, Bermudians should share in that success. When that happened, we followed again with a further \$15 million economic relief package for working families that included payroll tax rebates for 75 per cent of Bermuda's workers, \$150 payments to assist parents of public-school students with school expenses, increased food allowances for those on Financial Assistance, and reduced customs duties on essential goods.

We did so again in 2024. As revenues and economic performance were better than expected, we reduced energy taxes by 60 per cent to protect Bermudians from increases in electricity costs and invested an additional \$25 million in critical social needs across our community.

But, **Mr Speaker**, responsible fiscal management must also make a difference in the lives of Bermudians today. At a time when fuel prices have risen to extraordinary levels elsewhere in the world, this Government is ensuring that Bermudians are protected at the pump. We have taken action to prevent those record increases from being passed on to families and businesses in Bermuda by freezing pump prices at March 2026 levels.

Mr Speaker, our record over the last four years is clear. We have reduced taxes, provided relief and returned more money to hardworking Bermudians. As our finances continue to improve, this Government will continue to share that success with the people we serve.

When this Honourable House returns in November, I will provide a further update on the Government's financial performance for the current fiscal year and announce the next phase of tax reductions and relief for Bermuda's workers and families.

So, now, as I prepare to step down, this is the progress that I leave to the next Minister of Finance. Not record deficits, not an economy in decline, but an economy that is growing, stronger public finances, increased investment in Bermuda and greater capacity to meet the needs of our people while reducing the burden of debt.

In short, **Mr Speaker**, thanks to the collective work of Government Ministers and MPs (current and former), and the tireless work of our public officers, I will leave this office with our economy and the public purse in a better position than we inherited in 2017.

Thank you, **Mr Speaker**.