



REMARKS BY:

**The Hon. Vance Campbell, JP MP
Minister of Tourism and the Cabinet Office**

Overview of Budget Plans

1st March 2023

Good morning and thank you for coming.

Today, I am pleased to share information on the plans and initiatives of the Ministry of Tourism and the Cabinet Office for the 2023-2024 budget year.

For the fiscal year 2023/24, the Ministry will receive an estimated budget allocation of \$61,011,461.

The Ministry's budget includes the following Departments:

- The Cabinet Office
- Post Office
- Department of Information & Digital Technology
- Department of Communications
- Department of Employee & Organisational Development

➤ The Office of Project Management & Procurement

With such diversity, the Ministry for Tourism and the Cabinet Office will engage in advancing a variety of initiatives and projects during the next budget cycle. These initiatives will enhance the services Government provides to the people of Bermuda and our visitors, while increasing Government revenues.

During this next fiscal year, this Ministry will focus on various initiatives and projects to support Bermuda's Hospitality Industry, enhance the quality of Government services, and prepare staff for leadership within the Government.

The \$19,000,000 annual grant to the Bermuda Tourism Authority will continue supporting the growth and development of our tourism industry, which includes working with the Ministry of Transport to support their efforts to sustain or improve airlift in key markets, such as Boston and Miami. In addition to the government grant, the BTA derives a significant source of its annual income from cruise visitors, at \$16 per passenger, and from the 4.5% tax on room rates paid by air visitors.

Tourism projections for 2023 are very encouraging with revenue from fees paid by cruise ship visitors staying in our hotels and vacation rentals forecast to be \$14.1 million. This is an increase of

12.5 % over 2022 levels. 74% of the forecast income will be spent of sales (29%) and marketing (45%). The balance of expenditure will occur in the Research and Business Intelligence Division, the Experience Division and the Operations Division. With this added income and an excellent cash position entering the year, the BTA will be well placed to achieve its mandate of developing Bermuda's tourism industry in accordance with the National Tourism Plan during the next fiscal year.

I am pleased to report that I have been advised by the Board of the BTA that the recruitment of a new CEO continues in accordance with the process and timetable as set by the Board. The recruitment process is on target to be completed by the end of March.

As we work towards improving services, the Department of Information and Digital Technology was allocated 8.2 million dollars in funding to continue the Government's pursuit of digital transformation into the next budget year. This funding will enable IDT to recruit desperately needed staff that are essential to the Government's technological capabilities and IT security, as well as funds for upgrades to our systems that will ultimately enhance the services provided to the general public. Positions we are looking to fill at IDT include the Deputy Chief Information Officer, Project Managers, and Business Relationship Managers.

Cyber security will continue to be a focus for IDT, and funding of \$223,000 has been allocated for installing upgraded systems and software to increase our capability to protect our domains. These measures will enable us to improve government's security environment and, consequently, provide international and local businesses with increased confidence in our infrastructure.

In the same vein of improving and enhancing government services, the Bermuda Post Office has significantly progressed its digitization of public services. With an operational budget of almost \$9.3 million, it will expand those services in the next budget year. The BPO will also have several new Stamp Issues in 2023, which are budgeted at \$50,000. The most prominent of these stamp issues will of course be the celebration of the coronation of King Charles III in May 2023.

The Bermuda Post Office will continue to enhance its mybermudapost product, which has already proven to be hugely successful for customers. This service has earned approximately \$270,000 since its inception in November 2021 and we project revenue of \$300,000 for 2023 – 2024.

The public will know that as the largest single employer in Bermuda, with 4,483 persons employed as of December 31, 2022, the Government offers diverse career opportunities. Like employers

everywhere, however, the Government is experiencing a major shift in the job market, driven by a lack of skilled resources locally and globally in specific employment categories, for example, qualified accountants and engineers. Other factors include competition across industries and the salaries and benefits differential. In many cases, the Government cannot compete for certain employment categories. As the Minister responsible for managing the Government's human resources, I can attest that we remain committed to training officers and making salaries more competitive.

In the 2023/24 fiscal year, \$180,000 has been allocated to the development of a new job evaluation model for the Government with a view to modernizing the way posts are graded. Our existing job evaluation grading system was adopted from the UK Civil Service in 1970 and a new model will consider more than the simple numerical factors and weightings for each position. This new system will also consider internal and external factors such as availability of talent both locally and globally and make allowances for pay scales to be adjusted commensurate with expertise.

There are a number of job evaluation tools available, inclusive of options to customize one to meet the unique needs of the

Government. We are in the process of reviewing those options and will determine the best way forward during the next fiscal year.

Also, it is expected that the Department of Employee and Organisational Development will complete a Public Service Talent Management Strategy and work with Department Heads to implement succession plans for posts deemed critical and hard to fill.

During this fiscal year, there will be an increase in Government activities, events and community engagement. To support the myriad programmes and initiatives associated with this increase in activity, the Department of Communications, with an allocated budget of \$3,308,000, will provide promotional, advertising and awareness support on a variety of media platforms and forums.

One of the most popular television channels with our seniors is our CITV station. In the next fiscal year, \$37,000 has been allocated to upgrade and replace equipment at CITV that will improve the quality of productions on this channel.

The Office of Project Management and Procurement has been allocated an additional \$40,000, bringing their total allocation to \$839,675. This additional funding will be used to continue its programme of providing project management and procurement

training to government employees engaged in these processes to broaden their knowledge and skill sets. The ultimate aim is to maintain high project management and procurement standards throughout the Government to ensure fiscal responsibility and efficiencies in this critical area. In addition, in the next fiscal year OPMP will be updating its Code of Practice, which will enhance and strengthen the process for project management and procurement.

I assure all of Bermuda that the Ministry of Tourism and the Cabinet Office will continue to support Bermuda's tourism market, enhancing the quality of Government services, preparing officers for leadership within the Government and helping guide us on our path to continued economic growth.

I will provide a more fulsome report of the Ministry's budget plans during the Committee of Supply in the House of Assembly.

Thank you.