

THE NUMBERS TELL THE *REAL* STORY

REPLY TO THE BUDGET



One Bermuda Alliance

Delivered by
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Shadow Minister of Finance

February 27th 2026

Reply to the Budget 2026

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Shadow Minister of Finance
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1. Introduction

Mr. Speaker, we are here today to address the Budget, Bermuda's economy, and dollars and cents. But we cannot forget that behind every dollar are Bermudians, and this Budget must answer one question: What does it mean for them?

Consider the challenges of the middle-class Smith family. They have two children in a public primary school, and an aging parent with a chronic illness. They are the sandwich generation, stretched in every direction. The Smiths face tough choices. They want the best possible future for their children, but no longer trust public schools. They are thinking about a private school. Grandpa Smith needs regular care and is forgetful, but the Smiths can't afford full-time care for him after paying the mortgage, and are considering moving him in with them. When the kids are older, they will likely want to stop sharing a room. Should they try to add a room or an apartment? Find a bigger house? How to pay for it? Maybe they should move to the UK, like some of the families they've heard of. After all, it would cost them less, with access to good schools and better and more affordable care for Grandpa. But their children will grow up outside of Bermuda and may never return. How do we ensure the Smith family can stay in Bermuda and enjoy the quality of life they deserve?

Then there's Ms. Jones, who lives alone in a small cottage she owns, but with little to no income. She can't work due to a leg injury. She has no health insurance to cover the doctor's visits and physiotherapy, since the retail shop she worked at closed down. There is also no money to keep the roof painted and fix leaks after hurricanes. Ms. Jones takes care of her young granddaughter while her daughter is at work. At times, there isn't enough money for the phone or internet, so simple things like paying bills regularly are difficult. Unable to walk far distances, and without a car, Ms. Jones relies on her daughter to bring groceries and supplies. But her daughter works demanding hours in a restaurant. How can Ms. Jones and her daughter receive the support they need to live with dignity and a quality of life they deserve?

Mr. Speaker, the individuals named are avatars of the many Bermudians who share similar struggles. They represent the challenges of countless Bermudian families from Sandys to St. David's and every parish in between. During this Budget debate, we will hold the PLP Government accountable to answer the following questions: How does their Budget help these Bermudians, not just for today, but tomorrow, and the day after? Is the PLP Government giving them handouts that will run out, or are they meaningfully improving their lives by addressing the underlying causes of their issues?

Mr. Speaker, today Bermuda stands at a critical crossroads, a narrow window to confront our challenges honestly. After years of financial strain under the PLP Government, years marked by rising debt, mounting pressures on families, and declining trust, the introduction of the Corporate Income Tax (CIT) allows Bermuda to course-correct, to stabilize Bermuda's financial foundations, and support Bermudians in need. The CIT presents the chance to stimulate real growth in our economy, and to finally create new opportunities for Bermudians to enjoy the quality of life they desire and deserve.

But opportunity does not equal execution. The success of the PLP Government Budget must be measured by results delivered for our people, not just abstract numbers. Because for many Bermudians, their struggles have not eased, despite the years of headlines and promises. Payroll tax reductions, electricity relief, and other measures provide temporary relief but do not create a sustainable economy.

This means having an honest assessment of where Bermuda is today, including the realities of the CIT.

While canvassing across the island, we hear the same refrain: Bermudians are overwhelmed by the rising costs of housing and energy. They are desperate for their children to receive the education they need to compete locally and globally. They are scrambling to receive affordable healthcare, and they are sharpening their pencils to see if they can afford to retire in Bermuda. Bermudian businesses and entrepreneurs are also struggling in a stalled economy, which is jammed up by government red tape.

Mr. Speaker, The One Bermuda Alliance recognizes what Bermuda is going through because we live here too, and many of us share those same challenges. Today, I will outline the OBA's plan to improve the quality of life for Bermuda and Bermudians. We have heard repeatedly from the Government about the success of their policies, the progress they claim to have made, and how they have improved "fairness" for Bermudians. But as noted, this PLP rhetoric rings hollow for many Bermudians. Their claims do not match the lived reality of many.

The facts indicate that Bermudians are suffering from the Government's failure to deliver meaningful education reform, from their failure to address healthcare costs, and from their failure to develop our local economy.

While the Government continues to pat itself on the back, Bermudians continue to struggle. They feel unheard, overburdened, and disrespected. They have lost trust in the Government. In the meantime, the Government pretends that the success of International Business is its own. Yes, this PLP Government has adopted IB's good economic performance to mask its own lack of progress for the lackluster local economy.

Mr. Speaker, the Progressive Labour Party Government has developed an unprecedented reliance on IB to fund our country. And based on their track record, without the arrival of the Corporate Income Tax, the PLP Government's performance would have driven us into a massive fiscal crisis, once again.

So yes, we are fortunate that the CIT is now in place, due to the action of the OECD, other countries, and from the International Businesses here in Bermuda. It has now been widely acknowledged, including by this Government, that the CIT is no magic cure-all – and that it comes with many risks. At a high level, we know the CIT revenue may fluctuate from year to year. Global tax rules may evolve, and there are legitimate questions about how long this new revenue stream will last.

The One Bermuda Alliance believes that the CIT must be carefully and thoughtfully managed, so that Bermuda and Bermudians get the most benefit from it in the medium and long-term. If we are prudent in how we handle CIT today, the upside will be that Bermuda will have more money to work with, for the long-term benefit of Bermudians.

If we are reckless with the CIT money and it falls short, Bermuda will once again face a fiscal crisis. And next time there will be no lifeline.

Mr. Speaker, history has shown us that there will always be some sort of crisis. In the past twenty years alone, Bermuda has faced the Great Recession, a global pandemic, and a severe cost-of-living crisis. Therefore, the main question before us today is this:

Has this Government demonstrated the discipline, foresight, and execution required to manage this unique opportunity, so that Bermuda will be ready for the next crisis?

Because improved revenue does not automatically mean improved governance from this Government. While this Budget benefits from new revenue, it cannot erase years of underperformance in education, healthcare, economic development, and public trust. Budgets are not judged by promises; they are judged by the results delivered for Bermudians.

This is Premier David Burt's swan song Budget, but after his nine years in the seat, Bermudians must ask themselves, does this fairy tale reflect my reality?

2. Economic Review

Mr. Speaker, a review of the latest economic statistics shows that Bermudians continue to face economic pressures, despite the successes of the International Business sector. Regrettably, this story remains the same, year after year.

The revenue increases in the Premier’s budget come from CIT windfalls, inflation-driven gains, and IB payroll contributions, not real Government-led reform.

Under the PLP Government, the economy shrank and then flatlined. It gives me no pleasure to say that since the last Budget, very little progress has been made. In fact, most Bermudians have heard very little of what the Premier has referred to as “quiet but meaningful progress”. Whatever progress that may be, it is too little, too late. Bermudians need real change, and real progress.

2.1 Gross Domestic Product

We have seven years of Gross Domestic Product (GDP) data to measure the performance of Bermuda’s local economy under the PLP Government from 2017 to 2024. Focusing on the lived experiences of Bermudians, setting aside the results of International Business, and looking at “real” GDP adjusted for inflation, the numbers are stark.

Mr. Speaker, under the PLP, local GDP remained flat until Covid in 2019, and has barely recovered since. Local GDP has grown only 4.1% since 2017, an average of 0.6% per year. Payroll tax reductions, electricity relief, and other measures provide temporary relief but do not create a sustainable economy. In contrast, International Business has grown 30% over the same period, or 3.8% per year – over six and a half times as much!

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2.1 *Gross Domestic Product – Continued*

This means, **since 2017, Bermuda’s total GDP growth has been almost entirely driven by International Business, at 9.9% since 2017, or 1.4% per year.**

Blanket payroll tax reductions, Belco tax reductions, and vehicle tax reductions are not equitable. Relief should be strategic, to help those who need it most, like seniors, caregivers, low and middle-income workers, and families.

Digging into more detail, **the GDP from electricity, water, and waste management has grown a whopping 41% since 2017.** This pocket of growth, unfortunately, reflects the increasing cost of energy for Bermudians today. Alarmingly, **according to the Caribbean Energy Price Index, Bermuda has the highest electricity prices in the Caribbean. Bermuda’s electricity prices are 89% above the regional average and more than three times the global average.** Let me repeat that: **Bermudians pay more for power than anywhere in the Caribbean.** This is not the kind of reputation we want, nor the kind of growth we should celebrate. This is not economic strength. This is economic strain.

Later in this Budget Reply, we will outline practical steps to reduce these costs and relieve pressure on Bermudian households.

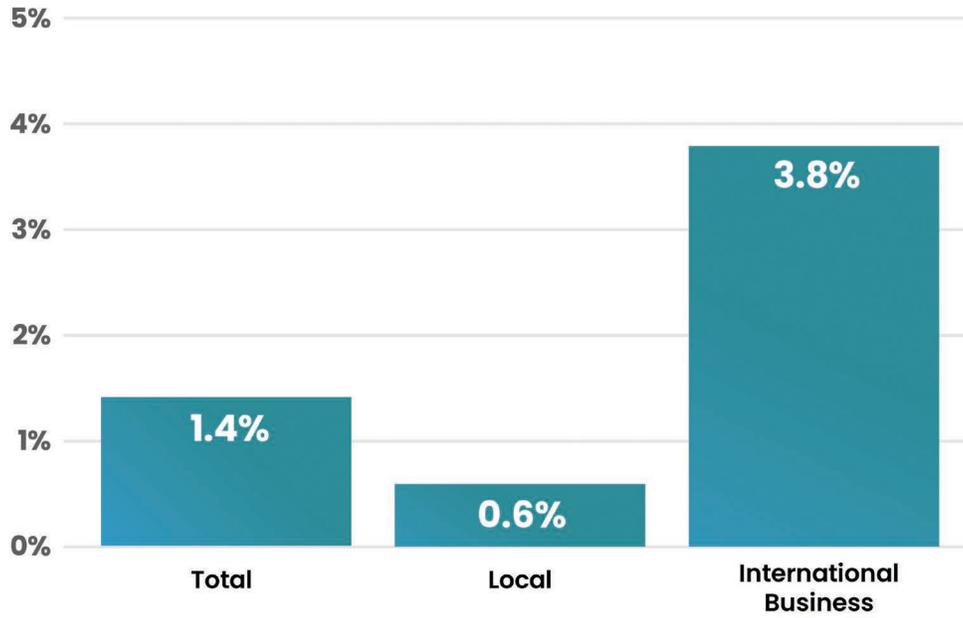
Mr. Speaker, Agriculture, Forestry, and Fishing have fallen 28% since 2017. This is alarming, especially at a time when Bermuda should be producing more food locally. Yet, the Government recently indicated it will continue to pour money into overseas companies for pie-in-the-sky vertical farming projects.

Wholesale and Retail Trade GDP are down 12%, while the Accommodation and Food Service GDP have fallen 13% since 2017. **These shrinking statistics come as no surprise to Bermudians who see the empty lots and vacant storefronts in Hamilton every day. They reflect the ongoing decline in retail sales and local jobs.**

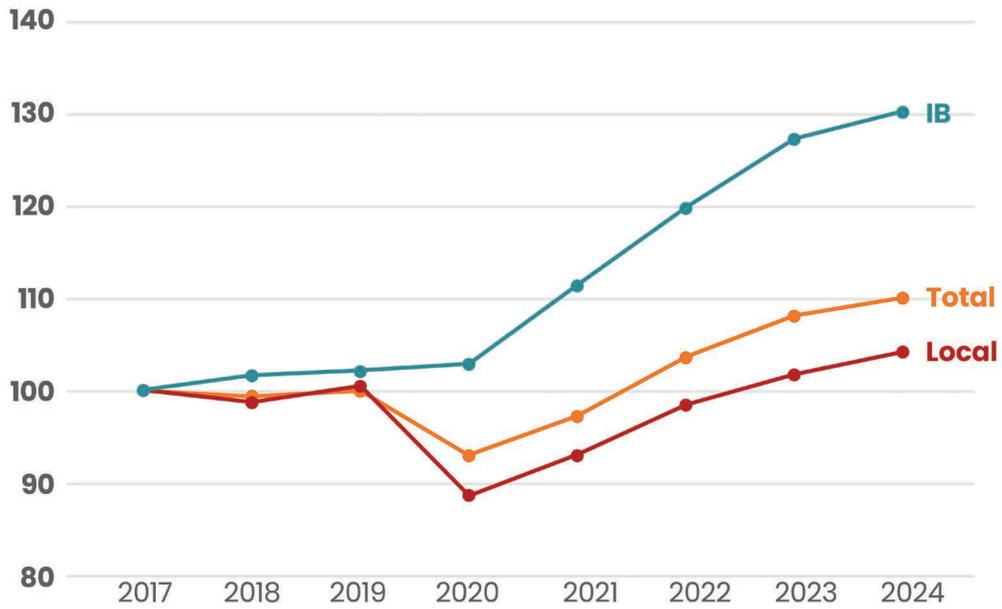
Finally, GDP from real estate sales has grown 17% since 2017, a statistic which the Government often highlights. However, this growth is a double-edged sword, as it is largely driven by rising property prices, which squeeze Bermudians out of the local housing market as overseas buyers purchase homes.

Mr. Speaker, this is what stagnation looks like.

Annualized GDP Growth 2017-2014



Annual GDP (2017=100)



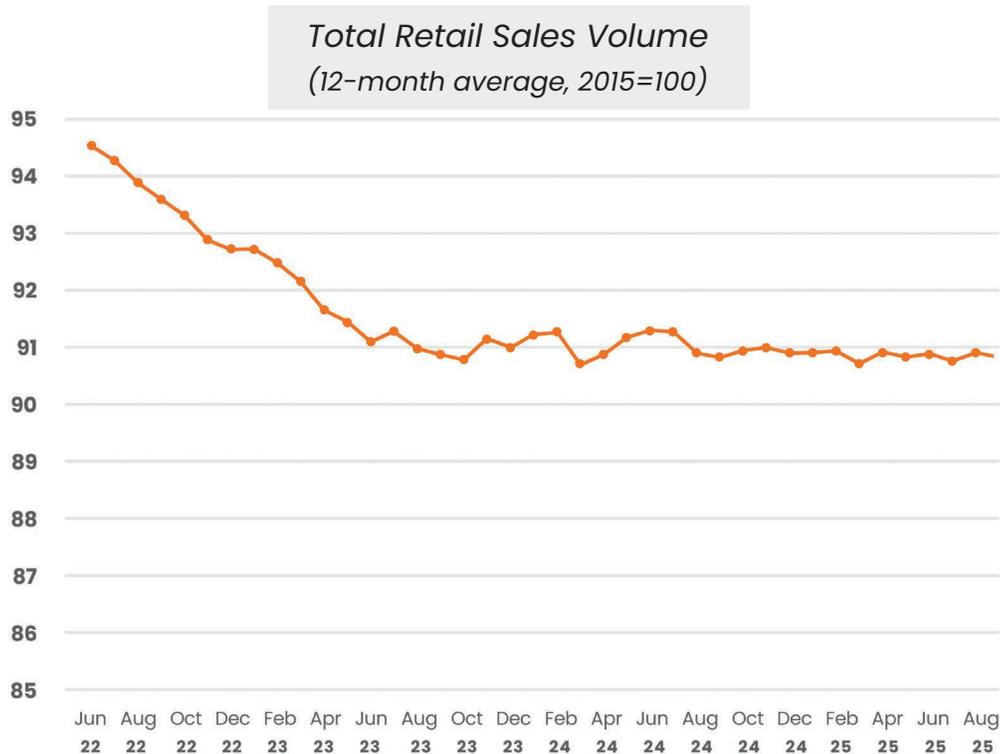
2.2 Retail Sales

Turning to Retail Sales, despite occasional small shoots of growth, the Retail Sales Index has been essentially flat following the steep drop after Covid. After stabilizing in 2023, the Retail Sales Index has seen no material growth over the two years to 2025. Bermudians already see this in empty storefronts in Hamilton. They see it in reduced hours, fewer hires, and limited opportunities.

The food component of the retail sales index fell nearly 8% from 2022 to 2023 and has yet to recover. This reflects an economy where Bermudians have not regained their purchasing power since the Pandemic. Rising food prices, flat wages outside of IB and public service jobs, and the impact of residents leaving continue to weigh heavily on households.

Other disturbing trends include Apparel and Other store types declining over the past three years, while liquor sales have fallen 13% from 2022 to 2025. While some lifestyle changes are natural, the magnitude of these decreases points to fewer people living and spending in Bermuda.

Mr. Speaker, the shrinking population is the true legacy of the PLP Government.



2.3 Shipping

Shipping volumes remain one of the clearest real-time indicators of domestic economic activity. In real terms, you can't sell what you don't import.

According to data from Stevedoring Services Limited, container volumes remain significantly below pre-Covid levels. The five-year average of container volumes from 2021 to 2025 is 7.5% lower than the three-year pre-Covid average from 2018 to 2020. Break-bulk, or loose cargo and construction materials, is down an even more concerning 20% over the same comparison period.

Mr. Speaker, as previously stated, fewer people with less disposable income are purchasing less. This is the true lived economic reality behind the numbers and the quantifiable impact of this PLP Government.

2.4 Salaries and Cost of Living

Inflation has stabilized and is hovering around 2% post-Covid, which is welcome, but stabilization does not mean affordability. Prices remain elevated and continue to rise from a much higher base.

Since 2018, cumulative inflation has reached 14.1%.

Median incomes have increased 10.8% since 2017, largely in managerial and professional roles. Yet many other kinds of jobs have seen **far lower growth** over that time:

- Service workers only 7.7%,
- Agriculture and fishery workers at an incredibly low 1.4%,
- Craft and trade workers, including construction workers, only +2.8%, and
- Elementary occupations, including cleaners, are at only 4.9%.

For most working-class Bermudians, wage growth has been far lower than inflation, sharply reducing purchasing power, especially for those already struggling at the lower end of the income scale.

Mr. Speaker, according to the Numbeo Global Cost of Living Index, **Bermuda is the most expensive country to live in, with an index of 135.8. This compares to New York and Honolulu at 100, and London at 91.2. This is why Bermudians cannot and do not experience what the Premier calls "quiet progress."**

2.5 **Jobs, Population, and Structural Decline**

Economic performance cannot be measured solely by revenue. It must be measured by whether people are staying, working, and building their futures here. More people living and working in Bermuda means more economic activity, creating higher demand for goods and services. This in turn leads to:

- Greater consumer demand
- Stronger local business activity
- And a broader tax base

This creates an economic flywheel, generating opportunities for Bermuda and fueling sustainable growth.

A larger, healthier, younger working population provides critical income to support health insurance and public pension systems, spreading costs more widely and reducing the per-person burden.

But when the population declines, the opposite happens.

Mr. Speaker, fewer workers mean higher costs, fewer opportunities, and a shrinking economy. Many Bermudians leave for better jobs, lower living costs, and access to affordable healthcare. Even worse, too many young Bermudians do not return after their education. This brain drain of our local talent further reduces the attractiveness of our island as a destination – not just for newcomers, but for our own people too!

Youth employment is being ignored. Blanket tax breaks do little to help. The OBA has long advocated for targeted youth support and hiring incentives to give young Bermudians real opportunities in the workforce.

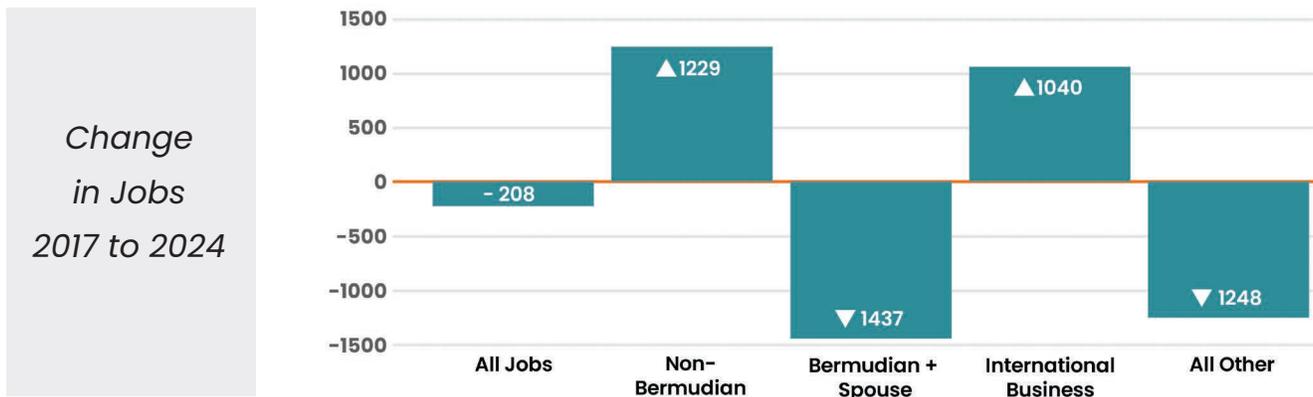
Unfortunately, this PLP Government has stood by in denial while Bermuda has entered an accelerating demographic and economic decline. The Government has avoided any meaningful discussion on the issue despite its own report on our ageing population released over three years ago. Instead, the Government points to low unemployment figures as proof of success. But that statistic is misleading. Unemployment is low because there are fewer people here to fill the jobs!

When the workforce is shrinking because people are leaving, that is not an economic strength; it is an economic decline.

According to the latest Employment Briefs data, through the end of 2024:

- There are 208 fewer jobs than in 2017.
- There are 1,436 fewer jobs for Bermudians and their spouses than in 2017, a decline of 5.6%.
- And, while jobs in International Business have grown by 1,040 since 2017, there has been a loss of 1,248 non-IB jobs.

Mr. Speaker, what does that mean for Bermudians who aren't on the IB train? Fewer opportunities, fewer pathways, and a diminishing role in their own economy.



The pattern is unmistakable.

The PLP Government is Betting Big on International Business.

The One Bermuda Alliance applauds and welcomes IB's success, but Bermuda cannot be sustained by one sector alone. The Government must no longer sit by as spectators to the IB economy, content to skim the cream off the top, while the rest of the economy stagnates.

What about the rest of Bermuda? What about the children in our public education system, where reform has bitten the dust? How will these Bermudian children be prepared to access these high-skilled IB jobs? What about Bermudians whose skills lie outside of an office building? Don't all Bermudians deserve opportunities to put their skills to work?

The Government has failed to protect or create Bermudian jobs. With limited opportunities, many have stopped looking for work, or they leave the island entirely. The Government points to projects such as the Fairmont Southampton as proof of progress. Yet, when the immigration rules were adjusted, and hundreds of Cuban workers were flown in to work on that project, how does that help Bermudians in the long term? We need structural solutions, not showcase projects.

2.6 Tourism

Given our over-reliance on International Business, we must diversify where we can, including regrowing tourism.

Mr. Speaker, the tourism data raises serious concerns.

In 2025:

- Total vacation and business visitors remain 17% below 2019 levels and 11% below 2024.
- Total air arrivals remain 30% below 2019 and 3.4% below 2024.
- Airline load factors, or the number of seats filled is only at 68% of 535,400 total seats, versus 75% of 580,000 seats in 2019. We used to have more planes with more passengers.

Hotel bed nights for the first three quarters are slightly up from last year, 511,000 vs 502,000 or +1.8%. However, they remain 230,000 (-31%) short of 2019. Less than half of this shortage (45%) can be attributed to the closure of the Fairmont Southampton. Even removing that, Bermuda's hotel recovery since Covid is way off the pace. We hope this is not the new normal.

Mr. Speaker, when we compare these statistics to our regional competitors, Turks & Caicos has grown air visitors 50% since 2019. The Tourism Analytics industry news site reports twelve new developments in TCI over the next two years, and another six between 2028 and 2030. The Cayman Islands has increased its air arrivals from 2024 to 2025, and the Bahamas is only down 2% from its pre-COVID levels. **Why is Bermuda down 30%?**

Under this PLP Government, Tourism has flatlined with far lower numbers than before Covid. We are hopeful that the Fairmont Southampton will eventually reopen, and look forward to the new Loren at Elbow Beach. But these projects are largely driven by investors already in Bermuda, some of whom came here under the OBA. What is the PLP doing to bring new investors to our shores? **In over eight years, this PLP Government has failed to bring any new hotel investors to our shores.**

This is not diversification. This is stagnation.

2.7 Review Summary

If that preceding list of facts and statistics seems repetitive and relentless, that is because the pattern is consistent.

This is not an isolated weakness. It's not just one cherry-picked statistic to make a point, it's a wide range of economic, demographic, fiscal, and sectoral government indicators that together graphically illustrate Bermuda's decline under this Government and the PLP leadership.

Mr. Speaker, when multiple indicators point in the same direction, that is not 'doom and gloom'. That is a diagnosis. Don't blame the doctor.

If we fail to diagnose honestly, Bermuda may never course correct. **That is why this Budget must be examined not as a celebration of new revenue, but as a test of whether this Government has demonstrated the competence, discipline, and transparency to manage it.**

3. Government Performance

The PLP Government's failure to make meaningful progress in many critical areas has externalized and pushed the costs and consequences onto Bermudians. Government failures have squeezed Bermudians' wallets and disturbed their peace of mind. This is not a question of funding; it is a question of execution and delivery. Simply put, this Government has not, and cannot, get it done.

3.1 Education

Mr. Speaker, The PLP Government's failed education reform, unfortunately, stands out as a glaring example of failure. Funding is not the primary issue. Bermuda's public education system already spends more per student than private schools. **The underlying problems are leadership, execution, and accountability. Who will be held responsible for these failures?**

Corporate Income Tax revenue cannot fix the lack of accountability. Bermudian parents are voting with their dollars. Parents are scrimping, saving, and spending their hard-earned money to send their children to private schools, after already paying taxes for public education! That's why the Smith family previously mentioned is considering private schools or moving abroad.

The education failures have a knock-on effect on the economy. Locals being underprepared for jobs means more overseas hiring. Young Bermudians who are left out of our economy leave and don't return, and social service costs rise while income inequity widens. This PLP Government is exporting its failures.

The OBA proposes an independent, accountable Education Authority: professionally governed, performance-driven, and insulated from political interference. Its mandate would be clear: raise literacy and numeracy, improve attendance, reduce disciplinary disruptions, and prepare our students for their future, whether in skilled trades or university. This Education Authority will be accountable to the public at every stage.

We agree that Youth and students also need increased mental health and social support, so we were glad to hear the Government plans to reinstate counselling and mental health services, which should never have been removed.

3.2 Healthcare

Mr. Speaker, healthcare reform is stalled. The promised Universal Healthcare is always “advancing”, but never appears closer on the horizon, while digital healthcare progress means nothing to Bermudians stuck in hospital corridors.

The PLP Government’s failure means many Bermudians still struggle with preventable health issues. Thousands still lack adequate health insurance. For those who are underinsured, costs remain, because preventable issues turn into long-term, chronic, and expensive problems.

The Budget statement promises that all residents will have access to healthcare by October, but without details of what that really means, we will reserve our judgment. Expanding benefits for those who already have HIP and FutureCare is useful, but it doesn’t help those without health insurance today.

How would this budget help the Smith family take care of Grandpa?

They’re not looking for senior daycare; they already struggle to shuffle their children around every day. How can they get more help in their home? And as for Ms. Jones, will she get access to a family doctor, and how will she get there?

The Government’s promises of more hospital beds, step-down facilities, and expanded community care echo what the OBA has been recommending for some years. We hope the PLP Government finally delivers.

So far, little has been done to address the underlying drivers of healthcare costs. Instead, the Government has increased the underlying premiums paid by everyone. While short-term relief is necessary, we echo the Tax Reform Commission’s call for fundamental reforms to reduce the actual cost base of the healthcare system.

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3.2 *Healthcare - Continued*

Mr. Speaker, the three main drivers for healthcare costs are:

- Hospital overutilization,
- A population with chronic health issues, and
- Overseas healthcare that could have been avoided.

The hospital is the most expensive place to provide care. That's why the OBA has long advocated step-down facilities, to move seniors and others with less acute conditions out of the hospital into more efficient and comfortable care. We would give all Bermudians regular access to a primary care provider so they don't need to go to the emergency room for basic care. Regular primary care visits will also prevent chronic conditions from escalating.

Overseas healthcare which could be avoided increases everyone's insurance premiums. The PLP's hospital block grant operating model forces the hospital to keep operating rooms and other facilities closed, as the hospital cannot recover these costs. As a result, Bermudians are forced to go overseas for procedures that could have been performed locally, more affordably, and with greater convenience.

The new hospital wing was built in partnership with private investors, who benefit from a Government guarantee. As of this year, the hospital owes these investors \$446 million, \$21 million of which must be paid this year. The hospital will continue to pay these private investors up to 2044, using money that comes from every Bermudian's health insurance premium. In addition, the PLP Government holds a \$664 million guarantee for these payments.

That structural burden, embedded in the system by the PLP, will weigh on Bermuda's healthcare system for two more decades.

3.3 **Infrastructure**

Mr. Speaker, all vehicle owners understand in their bones, literally, the costs of vehicle ownership. This is due to the Government's neglect of the roads and the resulting potholes. This ongoing neglect also makes us less attractive to visitors, reducing Bermudians' income from Tourism. The Government has once again only allocated \$5 million for road replacement this year, calling it an "aggressive" repaving program. **We call it too slow.**

Promises to replace bridges sound good, but we want to see shovels in the ground.

3.4 Seniors

Perhaps most tragically, there is the impact on seniors due to decades of financial mismanagement by successive PLP Governments. The debts accumulated over the years left inadequate resources for senior healthcare. Our seniors have lost decades of support they deserve.

We are surprised that the Government did not mention a specific resource for the 2024 National Seniors Strategy. Is this strategy really being truly implemented, or has it been sidelined?

While the Corporate Income Tax has been effectively mandated by the OECD and implemented under pressure from International Business, let's not pretend that this Government would have done this without pressure from the OECD. Right now, they are playing catch-up on their social obligations. This care should have been provided years ago. And still, part of the government's solution for seniors is to raise the retirement age, so seniors may be forced to keep working to support themselves.

3.5 Pensions

Mr. Speaker, the One Bermuda Alliance supported the Government's Public Service pension reform. However, reform of the Contributory Pension Fund, also known as Social Insurance, seriously lags behind. According to the 2023 actuarial review, by 2042, Social Insurance will run out of money to support its full payment commitments, unless the Government chips in more cash.

And because we know more people will receive social insurance payments over time, and there will be fewer working people paying into the fund, the structural imbalance is accelerating. Social Insurance will run out even before 2042 without serious reform. Plainly stated, **if the Government does not act, many people working today should not count on Social Insurance being there when they retire.**

3.5 *Pensions – Continued*

On a strict legal basis, the Government is not directly liable for a shortfall of Social Insurance funds. But on a moral, social, and economic basis, it is the responsible and right thing to do for the Government to support Social Insurance. Based on the actuarial report, there is approximately a \$2 billion unfunded liability that effectively belongs to the Government.

The One Bermuda Alliance would prioritize using CIT income to pay down Bermuda’s debt, which includes this Social Insurance liability. We would support a one-time payment of CIT funds into Social Insurance to soften the impact of any changes on Bermudians, such as increasing contributions or raising the retirement age, ensuring Bermudians are protected while the system is stabilized.

3.6 **Safety**

Mr. Speaker, Bermudians are increasingly concerned for their safety and worried about crime. The Police Service is woefully understaffed, and there are critical safety and security issues in our prison. These are long-standing problems, yet the Government has failed to make progress. Safety is not optional. We need safety for investors and business confidence; we need safety for tourism; and we need safety for the quality of life for all Bermudians.

We welcome increased funding for the Ministry of National Security for staffing and hope that the PLP Government can indeed fill the vacant posts.

But safety is not just about enforcement and incarceration; it’s about rehabilitation. How are we equipping our young men leaving prison to rejoin society when they are released from prison? Where are the Government plans for training and reintegration?

4. International Business

Bermuda's dependence on IB and the Corporate Income Tax requires transparency and conservative planning. We must understand the dynamics of IB and the details of the Corporate Income Tax. Yet, **despite repeated requests for information, the PLP Government has refused to provide even the most basic information about who will be paying CIT.**

Will revenue come from a large number of payers, or just a handful? Which industries are paying? These details matter if we are to create the right policies that sustain growth and protect Bermudians.

Mr. Speaker, the One Bermuda Alliance believes that most of the CIT revenue will come from a relatively small number of companies, concentrated in the insurance and reinsurance industries. When combined with payroll tax contributions from IB, primarily insurance companies, it's clear that the Government's revenue and ability to carry out its plans are highly sensitive to the conditions of the international insurance market.

Recent years have been favorable for International insurance companies in Bermuda, thanks to relatively low natural catastrophe losses, producing high profits. The Government has enjoyed rising tax revenues. High industry profits produced good initial CIT revenue, and employee bonuses and raises have flowed into the payroll tax coffers.

But now, according to BMA data and industry reports, insurers are just coming off a year or two of peak profitability. Already, the January renewals have shown double-digit rate decreases in lines of business such as Property Catastrophe, a core Bermuda specialty. These lower insurance rates, plus anticipated reductions in interest rates, mean both the underwriting and investment drivers of industry profit are reducing at the same time.

Additionally, insurance industry losses from natural catastrophes in 2025 were at their lowest level in six years and second-lowest level in nine years, according to industry reports. Put another way, since the industry is at a peak of its cycle, we should expect lower profits and results going forward, along with less payroll tax from smaller IB bonuses. In addition, we should also plan for higher natural catastrophe losses than we have experienced for most of the past decade. Combined with CIT payers getting more tax credits over the next few years, we must plan conservatively and expect less CIT revenue in the near term, the medium term, and the long term.

5. Corporate Income Tax and Fiscal Management

The Government's Budget and the success of its plans depend solely on the Corporate Income Tax. The \$600 million CIT revenue penciled in for 2026/27 represents one-third of total revenue.

We must plan realistically and conservatively so that any surprises become good surprises, not bad ones. **And the key questions are:**

- **What are realistic plans for handling the Corporate Income Tax revenue, and**
- **How can we ensure accountability so that it is spent in Bermuda's best interest?**

Mr. Speaker, Bermuda faces **\$1.7 billion in debt repayments** over the next four years, which means putting away **\$432 million per year**. Yet the Government's three-year plan **already falls short** by almost a **quarter of a billion dollars**. Meanwhile, expenses before interest are 24% higher than two years ago, and spending on consultants has almost doubled, to **\$99 million**. We've seen how this plays out before.

5.1 Risks

Mr. Speaker, in addition to the risks to International Business profits that will reduce the CIT income from IB, there are also risks arising from the evolving Global Minimum Tax framework, and from Bermuda companies' responses to the CIT and Bermuda Government policies.

The reality is that the world is just beginning the Global Minimum Tax regime, or GMT, which caused Bermuda to create the CIT. The OECD rules are under regular revision, as countries adapt their own tax policies in response to the OECD. There has already been one major adjustment, with the new "side by side" rules that mean the United States gets to keep its own tax rules, which are separate from the OECD rules. Will we see large countries like China or India push for their own special treatment, and what opportunities or challenges will this create for Bermuda?

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5.1 *Risks – Continued*

And the cold truth is that the OECD rules are less fixed regulations and more evolving interpretations, designed to limit our options. The GMT regime aims to remove the ability of countries like Bermuda to compete on tax policy, placing small, resource-limited jurisdictions like ours in the same boat as much larger economies. We cannot expect favorable treatment under GMT going forward.

Locally, we should expect that companies will minimize their tax payments, as all corporations do in all tax jurisdictions. The CIT taxpayers will inevitably have access to the best tax advice money can buy. Bermuda's Corporate Income Tax Authority will have far fewer resources. Companies will adjust their structures, where they place functions and staff, and otherwise identify all opportunities to reduce their tax bills.

Some companies may even leave Bermuda. Without a tax advantage, our island risks losing its appeal. The challenge for Bermuda's next government is to ensure that Bermuda remains an attractive jurisdiction in which to do business.

Mr. Speaker, the good news is that many of IB's concerns are the same as ours. IB employers want to attract and retain good professionals in Bermuda. In today's globally competitive hiring environment, where companies can hire in New York or London, Bermuda or Dubai, this means they want good schools for their employees' children; quality housing at a reasonable price for the families; access to healthcare; safety and security; a reasonable cost of living; and a good quality of life.

Like local businesses, IB employers are looking for a reasonable and fair immigration policy that employers can navigate with certainty. Long turnaround times and arbitrary decision-making that make it difficult for IB companies to bring the talent they need to the island must be eliminated. Otherwise, these companies may leave, taking the well-paying Bermudian jobs with them.

The bad news is that, given the PLP Government's poor track record, we should not take for granted that the PLP will deliver what companies are looking for. How many companies will stay in Bermuda? How many people will they hire here? If companies pay the same tax, but everything else costs more, **why** will they stay? Bermuda must offer a compelling value to these essential taxpayers. Next year, Corporate Income Tax is projected to make up 59% of all other government revenue combined. This is a stark reminder of how reliant Bermuda has become on a single source of income. **We cannot afford IB departures.**

5.2 **Fiscal Rules and Guardrails**

The scale and complexity of CIT revenue places Bermuda into a new phase of managing our country's finances. This is especially true given the country's constrained fiscal position prior to the CIT, and the PLP Government's poor track record of accountability. The OBA recommends that the country implement a set of strong and binding guardrails into law.

Mr. Speaker, our first recommendation is that the Premier should not also be allowed to be the Minister of Finance. This is for both practical and political reasons. Once, sharing these roles may have been feasible, but this is no longer true. Bermuda's more complicated fiscal landscape, the dominance of sophisticated International Business in our economy, and the complexity of the new global tax regimes need and deserve a full-time Finance Minister to take care of Bermuda's intricate Finance portfolio.

Institutional separation strengthens accountability. A dedicated Finance Minister must be empowered to challenge assumptions, enforce fiscal accountability, and provide Cabinet-level scrutiny.

This is exactly why the Constitution does not allow the Premier to appoint a Finance Minister from the Senate.

This is sound governance – not politics.

5.2.1 **Stability Fund**

Mr. Speaker, The One Bermuda Alliance originally proposed an amendment to the original CIT bill to guarantee that the funds are used for debt repayment and critical infrastructure. **The PLP Government rejected it.**

We are generally supportive of most of the Fiscal Responsibility Panel's recommendations, but with some critical caveats. The introduction of a stability fund to manage volatility in CIT receipts is a good idea.

We would create legislation to adequately fill this fund from CIT, before other uses of CIT revenue. We would also ensure tight legislation prevents off-balance sheet spending. Recognizing the \$605 million of debt due in 2027, we support delaying this fund until that tranche is paid.

5.2.2 Debt and Assets Rule

We support the Fiscal Responsibility Panel's (FRP) recommendation, adopted by the Government, that 70% of net CIT revenues are used to pay debt interest, reduce net debt, or accumulate net financial assets. The Government continues to mention a Sovereign Wealth Fund, but should not become distracted. With \$600 million of debt due next year and then another \$1.1 billion due in four years, the PLP Government must keep its eye on the ball.

5.2.3 Deficit Rule

The FRP proposed, and the Government says they are adopting, a rule that the current budget remains in balance or surplus, excluding net CIT revenues, capital spending, and interest payments. The OBA proposes a tighter version of this rule where interest payments should not be funded by the CIT over the medium and long-term. In fact, the version of the rule in the previous year's FRP report did not include interest payments. But, Bermuda's multi-billion-dollar debt requires \$128 million of the taxpayers' money to be spent on interest per year right now. We propose a transitional version of the rule that allows interest spending to be funded by CIT for 3-5 years, but not after that. This would provide a natural brake on overborrowing, which is how prior PLP Governments got Bermuda into its fiscal dead-end in the first place. This rule also prevents Bermuda's national budget from relying too much on the CIT.

5.2.4 Spending Rules

Mr. Speaker, it's almost a scientific law that politicians like to spend money, particularly taxpayers' money. The Premier has floated the trial balloon of implementing an income tax in Bermuda. This reflects the reality that, given our debt and spending pressures, even with the CIT, this Budget only works over the next few years. The Premier is already looking for more ways to raise taxes.

The \$124 million of so-called "strategic investment" in the Budget is really mostly current spending: \$107 million of health and benefit payments, and payments to the hospital. Considering that, this Government has increased current spending by \$182 million since last year, or over 17%, and total expenses before interest have grown 24% over two years. The PLP Government has almost doubled spending on consultants over the past two years to \$99 million.

To control overspending and limit tax increases on Bermudians, the OBA would strongly consider a spending rule. This rule would cap increases in current spending based on a combination of GDP growth and year-on-year expense growth, over a multi-year period.

The OBA would also implement a rule for maintenance funds connected to capital spending. Any new capital projects or major refurbishments must have adequate maintenance to avoid the PLP's legacy of a dilapidated incinerator and bridges in critical disrepair.

5.2.5 Accountability

Bermudians want and deserve accountability in how their money is spent, particularly the CIT funds. This means laws and transparent reporting. The PLP has provided too many examples of poor decision-making on spending, veiled financial reporting, and avoiding accountability, particularly to this Parliament.

Mr. Speaker, the OBA would prevent moving money between funds without Parliamentary approval, except for specific uses named in law. **Experience has shown that moving money from the Sinking Fund has been abused by the current Government, who spend without accountability.**

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5.2.5 Accountability - Continued

For example, in the 2023/24 budget year, the Government **spent** \$58 million of borrowed money from the Sinking Fund, resulting in a real deficit of almost \$88 million. And in 2024/25, they spent \$50 million of borrowed money from the Sinking Fund, for a real deficit of approximately \$21 million. That's \$109 million of deficit spending over two years, without accountability to Parliament or the people. Meanwhile, the Government continues to mislead the public with claims of a surplus in 2024/25.

This current budget already includes a \$14 million slush fund, with no specific projects allocated to it. Bermudians need to know who will decide where the dollars go. We also note a \$14.5 million increase in consultants' costs for the Ministry of Finance. The One Bermuda Alliance will hold this Government accountable to answer these questions.

Here are other examples of poor decision-making by this Government that have resulted in poor outcomes for the taxpayers' money:

- Premier David Burt and his cabinet provided an \$800,000 loan to the Savvy Entertainment scammer, which ultimately entailed PLP Deputy Leader Zane DeSilva having to return funds.
- Premier David Burt provided a \$2.5 million guarantee to Inno Fund and BPMS for work with the Government, which duplicated existing contracts, and never came to fruition. This has left taxpayers to pay the \$2.5 million guarantee.
- Granting the \$3.2 million NSC solar contract to a prior PLP Party Chair's firm, despite the NSC Board's reservations, and then the Government having to ultimately secure financing for the project.
- The secret contract for the new Hospital wing, which pays a private firm \$20 million a year for 30 years – but still leaves Bermudians waiting in hallways due to a lack of beds.

Mr. Speaker, I could go on, but the point is clear: with all the new CIT money in the system, will this Government deliver for the people of Bermuda? I believe it was Einstein who said, "insanity is doing the same thing over and over again and expecting different results".

That's why Bermudians need a change in how the Government manages the public purse, especially the CIT funds, and that's why **Bermuda needs a change in government.**

6. Plans For the Future

The OBA plans address Bermuda's changing demographics. We would support seniors while creating opportunity and hope for our youth, acknowledging their distinct issues and priorities. The current Government has focused mainly on our seniors, and where those Government plans make sense, the OBA has supported them. But our young Bermudians have been left out by this Government. The PLP has stalled absentee voting for students. The PLP has failed to attract Bermudians back home or create conditions for young Bermudians to be successful in their own home.

The OBA's plans focus on concrete items to deliver meaningful improvement in realistic timeframes. We contrast that with the Government's empty promises, no accountability, and lack of results.

6.1 Housing

Mr. Speaker, Bermuda's housing crisis requires immediate action to get people off the streets, to provide emergency shelter, and to increase the supply across a range of housing types. We would immediately build and run emergency housing using existing government land and properties, such as unused school buildings. While not attractive to some, it is important to note that these units would be for short-term use until residents can move to a more long-term and stable solution.

We are disappointed that the Government did not mention any support for critical third-sector programs such as the Plan to End Homelessness. These programs provide foundational support to help Bermudians step up into more stable lives.

Mr. Speaker, the Government's plans to seize land and derelict properties from Bermudians are fraught with practical and moral difficulties. And given that the Government hasn't even maintained its own properties, their plans seem hypocritical. The Government must use its own land and properties before taking property away from Bermudians.

However, we are glad that the Government followed our advice, and is now looking at using the Bermudiana Beach Resort to house Bermudians.

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6.1 *Housing - Continued*

In addition, we would subsidize private social housing development. The OBA would do this with construction incentives similar to those granted to tourism development, like duty and payroll tax breaks, and rent support. The reality is that housing in Bermuda is expensive to build and maintain. Private investors can't create projects that are affordable for those who earn below median pay, while also making a return on investment. These projects and subsidies would fall under the critical infrastructure investments use we proposed for the CIT, alongside debt repayment.

We would work with the construction and design industries to identify innovative and modern ways to reduce construction costs in Bermuda, retaining the comfort and safety we have today. We love our traditional Bermuda building techniques, but recognize that techniques have also evolved, from stone walls to reinforced concrete, from slate roofs to SKB. Cuts to Foreign Currency Purchase Tax will also help reduce the cost of construction supplies.

We would create planning rules to enable more efficient use of existing buildings and land. Fast-track planning processes with looser setback and site coverage requirements, among others, can enable owners to add small cottages or apartments to existing houses. This is similar to what other jurisdictions call Accessory Dwelling Units, or ADUs

Mr. Speaker, the OBA would reform landlord-tenant laws to work for everyday Bermudians, not lawyers, providing more certainty over outcomes and timelines. While the Government has started this process, current proposals are too complex and confusing. The Government's proposed rental registry seems like bureaucratic overreach, and we doubt Bermudians would welcome the PLP Government nosing into their affairs. Pending the Government's consultation, we recommend looking to successful models like those in New Zealand, with a tenancy tribunal independent from government, transparent appointments, and mandatory, but free structured mediation.

Ultimately, landlord-tenant relations require accountability from both sides. Bermudians deserve to earn a fair return on their investments, and rental properties can provide critical income to Bermudian families. And every renter deserves to live in dignity in a safe, clean, well-functioning home.

Finally, we would introduce a Housing Incentive Act to encourage new apartments in the City of Hamilton. We must build higher and encourage development that offers housing for a mix of income levels. The Government's current incentives are a start, but more needs to be done.

The Budget statement referred to a 2025 draft housing strategy, but it has not yet been released. This will make it difficult to assess the Government's performance with \$33 million of budgeted capital spending, plus an additional \$90 million of off-balance sheet spending guaranteed by the Government.

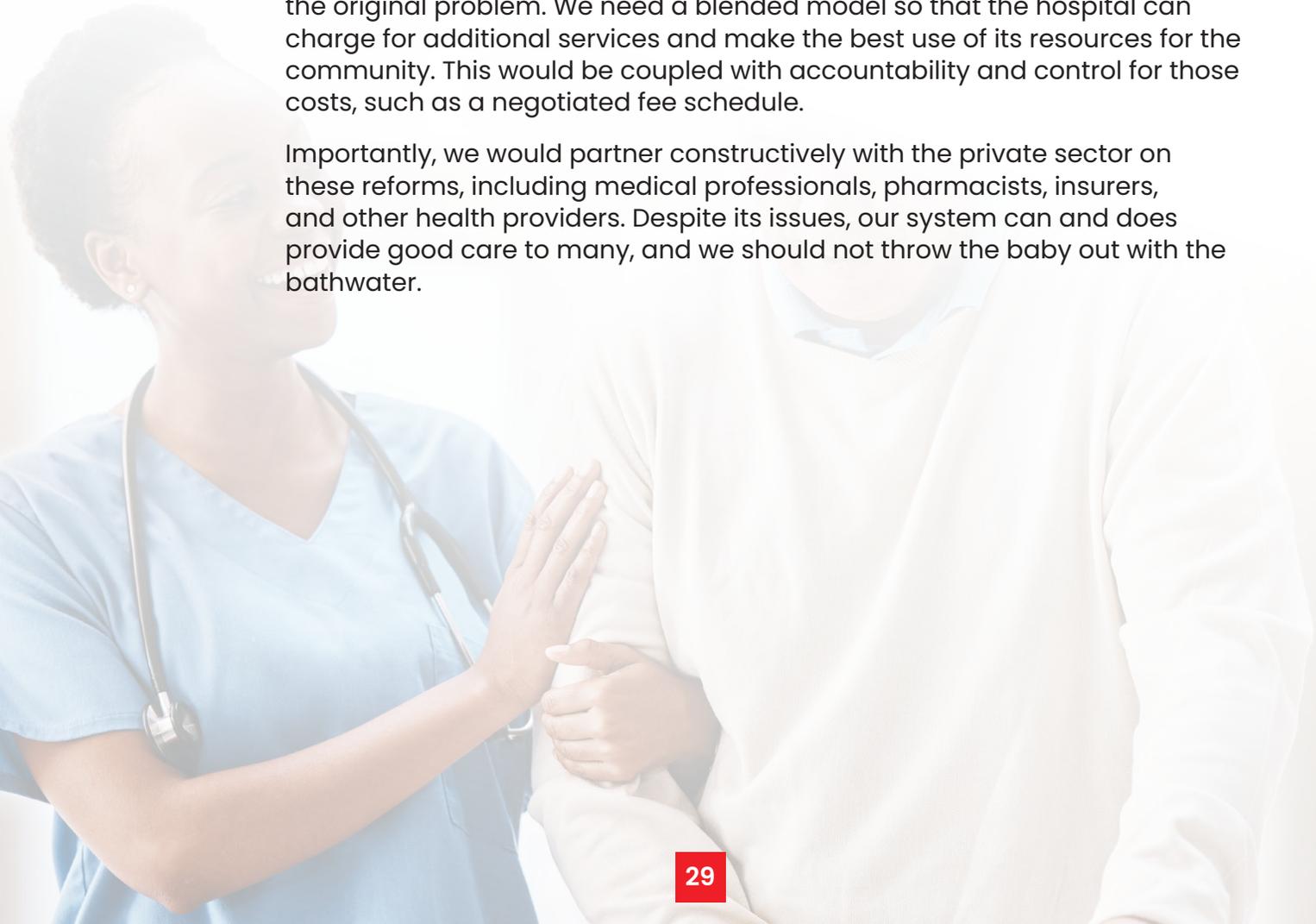
6.2 Healthcare

Mr. Speaker, Bermudians struggle with healthcare due to our shrinking and aging population and the costs of health insurance. Some don't even have access to healthcare. Serious operational issues at the hospital only make it worse. While improving healthcare in Bermuda is a difficult problem, the OBA's diagnosis points to two main issues: receiving care in the wrong place, including overseas, or not getting the right care at all.

We've discussed the OBA's solutions, including step-down facilities, community care, and access to primary care for all without using the hospital.

To reduce the need for expensive overseas treatments and improve the hospital's operating position, we would eliminate the block grant and consider moving back to a fee-for-service model. The original thinking was that the block grant would incentivize the hospital to control costs. But harsh experience has shown that the unintended consequences are worse than the original problem. We need a blended model so that the hospital can charge for additional services and make the best use of its resources for the community. This would be coupled with accountability and control for those costs, such as a negotiated fee schedule.

Importantly, we would partner constructively with the private sector on these reforms, including medical professionals, pharmacists, insurers, and other health providers. Despite its issues, our system can and does provide good care to many, and we should not throw the baby out with the bathwater.



6.3 Energy

Mr. Speaker, as we know, Bermudians face some of the highest energy prices globally. The One Bermuda Alliance Plan for energy costs has three main parts.

First, give the regulator more teeth to ensure costs passed to consumers are fairly considered and accurately tracked. For example, the regulator should ensure that all tax breaks and discounts directly benefit customers, while shareholders, not customers, bear the risk for bad management and capital investment decisions. We are encouraged to see the Government taking steps to strengthen the regulator, a move the OBA proposed long ago.

Second, we would provide Belco fuel tax breaks, but quite differently from the Government. We do not support the blanket tax breaks, which are essentially regressive. Under the PLP proposals, well-off people with large houses who consume a lot of energy will get the biggest benefit. Yet families who earn the least and are already scrimping and saving to reduce their electricity usage will see the smallest benefit. The OBA would provide a progressive approach linked to payroll tax bands or usage. Remember, Belco already manages tiered usage rates and multiple kinds of billing.

Third, we would expand efforts to make it easier for consumers to install and benefit from solar, such as solar installer self-certifications. Currently, renters can't easily install their own systems. But portable systems, unfolded in a backyard during hot summer months or during the day, could be a good idea.

Mr. Speaker, Bermudians currently pay through the nose to buy and ship overseas fuel to Bermuda to generate electricity. Like other island nations, we must expand our use of renewables to reduce our reliance on these expensive imported fuels. Yes, there are valid concerns about fairness around the use of shared resources such as transmission, distribution, and standby capacity at Belco. We are confident these can be resolved alongside renewables.

Some claim Liquefied Natural Gas (LNG) as a cheaper source of energy for Bermuda. The question for the regulator is what will provide Bermudians with the most cost-effective energy over the short and medium term right now, including the costs of new infrastructure like tanks and pipelines, which ultimately Bermudian customers will pay for.

6.4 Small Business

Small businesses might not be the headline drivers of Bermuda's economic statistics, yet they are critical to our community and the day-to-day economy of most Bermudians. Small businesses provide a variety of jobs for Bermudians, providing a vibrant backdrop for our island. Retail and restaurants are a vital part of our tourism product. Statistics show they are struggling. The Government likes to talk about "new business registrations", but what the PLP doesn't mention is businesses that are closing, or barely limping along.

Small businesses live and die on cash flow and their ability to hire and retain staff. The OBA would support small businesses by reducing the burden of customs duty, making payroll tax adjustments, and removing red tape.

We would consider moving customs duty payments to the point of sale, so that businesses need less cash up front to import goods. This would also reduce the cost burden of unsold and returned goods. We would remove the foreign currency purchase tax for imported goods, as this is another cost burden on everything imported and sold in Bermuda.

The OBA would continue the new-hire relief set to expire this year for companies not otherwise eligible for the new tax credits. We want our local businesses to be encouraged to hire, putting them on an equal footing with companies eligible for the new Tax Credits. We would also encourage youth employment by waiving payroll tax for Bermudians under the age of 30.

6.4.1 Payroll Tax

Mr. Speaker, we do not support the Government's blanket payroll tax break for employers. The reality is that many large firms and international businesses can support the higher tax rates, and those payments provide critical revenue that Bermuda needs right now. Plus, many large taxpayers, including IB and local insurers, will already be getting tax credits based on employment.

The OBA would change the employer payroll tax to a tiered marginal system, as is the case for employee payroll tax. This will make it easier to give smaller companies payroll tax breaks. It will also remove the artificial barriers that prevent companies from hiring or giving raises to avoid falling into the next, higher payroll tax bracket. This tiered system should also adjust with inflation, along with employee payroll tax bands. Cost-of-living increases shouldn't penalize employers and employees with higher tax rates.

6.4.1 *Payroll Tax – Continued*

The OBA would treat seasonal businesses fairly. At times, busy quarters produce payroll that gets taxed at a higher rate, even though the overall annual pay should get a lower rate. We would update legislation and guidance so that employers (and employees) can get credits or rebates when they have overpaid tax in prior busy quarters.

We'd streamline interactions with government departments, cutting red tape and paperwork that unfairly burden small businesses. A one-stop shop for payroll tax, social insurance, HIP, & FutureCare and government departments, like Works and Engineering, is essential. While the Government has announced various digital projects to help small businesses, we would go further by providing an in-person concierge for those needing extra support. Afterall, it is in everyone's interest that all paperwork and payments are correct.

6.5 **Families**

Mr. Speaker, Bermudian families, especially young families continue to struggle with healthcare, energy, housing, childcare, and education; they all stretch family budgets. Despite giving some blanket tax giveaways, the Government Budget statement did not mention any specific uplifts for hardship support, rental assistance, or food aid to match the reality of real day-to-day struggles of Bermudians.

Mr. Speaker, remember that it was the One Bermuda Alliance Government that first put in place the progressive payroll tax system. As evidenced by this Reply we continue to identify ways to help Bermudians.

While addressing food prices is difficult, axing the PLP's failed Sugar Tax is easy, and the OBA would do it right away. Experience has shown that the Sugar Tax was not implemented correctly, was never targeted at making people healthier, and has been a widespread extra cost on many grocery store items. For example, does it make sense that a sugar-free soda costs the same as one with sugar? The PLP Government ought to correct this obvious mistake.

There have been interesting ideas in the public recently about setting aside funds for newborns or young Bermudians, for use in the future. The OBA thinks these ideas are worthy of consideration. However, families need help today, and we believe resources should be focused on immediate needs. This kind of 'future fund' can be considered once the country's multi-billion-dollar debt is paid down to a manageable level.

6.5 *Families – Continued*

The OBA would supply free breakfasts in all public schools. Free school breakfasts have improved educational outcomes in other jurisdictions and ease the stress on busy families. Local efforts by charities such as Bermuda is Love, the Coalition for the Protection of Children, and the Salvation Army have demonstrated the need exists. This important support should be made available to all of our students.

Mr. Speaker, reliable and affordable care for young children is harder and harder for families to find. Many nursery operators are struggling under the weight of rising costs. Staff-to-child ratio regulations were well-intentioned, but daycare providers have been clear that most parents cannot handle the financial burden of meeting these requirements. Child safety must always come first, but it can be protected within a more flexible, cost-effective regulatory framework that reduces unnecessary red tape and streamlines Health Department requirements for operating a daycare facility. By modernizing the rules and introducing targeted tax relief for nursery school businesses, we can ease the financial pressure on nursery operators, help stabilize rising operational costs, and ensure that high-quality early childhood care remains accessible and affordable for Bermuda's families.

And when it comes to children, education can be the biggest stressor for families. The Government's widely acknowledged failed education reform is unfair to all Bermudian families. Parents have voted with their feet and their wallets to put their children in private school. As mentioned, the OBA would create an independent Education Authority, with performance-based accountability. This authority would be tasked to deliver the quality education that every Bermudian family deserves, and is already paying for.

6.5.1 **Insurance**

Mr. Speaker, we would tackle home and vehicle insurance costs, which are high and growing. Bermudians pay a 3.5% Financial Services Tax on their insurance policies. The OBA would make this a progressive tax so that it has less impact on those with smaller vehicles and properties.

Bermudians are keenly aware that our local insurance market is now less competitive. The OBA would ensure that local insurance rate changes are reviewed and approved by an independent regulator, such as the BMA. Regulation prevents insurers from increasing premiums without transparency and accountability, and is common in many jurisdictions, including the United States. Although regulating rates doesn't always mean insurance costs go down, it does mean customers can be confident that they are being treated fairly by insurers.

6.6 Tourism, Transport, and Culture

Mr. Speaker, tourism needs more investment. It supports many jobs and small businesses, provides amenities for business visitors, and diversifies our economy. The Bermuda Tourism Authority was a good idea. Yet under this current Government, it succumbed to political influence, leaving most Bermudians disappointed and feeling like their money was wasted. The OBA would reboot the BTA as a truly non-political, independent agency. Its staff and leadership would be given clear objectives, with compensation tied to concrete, measurable results. Results such as the number of tourists, their length of stay, and visitor spending.

The OBA would bring in new investors to develop additional venues for meetings and conferences, using existing brownfield sites. Even after the Fairmont Southampton opens, Bermuda must diversify its options to create resiliency in the tourism sector and create additional visitor traffic. Although this Government has not attracted any new investors, the prior OBA Government showed that it is possible, with successes like the Loren, St. Regis, and Azura.

The OBA will support our local artists and culture in a non-political way. Both because it's the right thing to do, and also because it supports our tourism industry. This could entail a stipend for local artists and performers, such as Ireland's recent Basic Income for the Arts. Key aspects of this scheme are that it is for up to three years, providing stability for recipients, but also based on an anonymous random selection process, acknowledging that not every qualified applicant can receive funding right away.

In addition, the OBA would create new dedicated performance venues to support events for visitors and locals alike. Perhaps an outside amphitheater in Hamilton or St. George's, so artists aren't competing with sports teams for venues.

For Transport, we would increase TCD's enforcement capabilities and fund more traffic officers. Bermuda's roads have been unsafe for too long. We must reset road users' expectations for acceptable behavior.

Mr. Speaker, we would also ensure a robust and adequate ferry service across Bermuda, covering the East and West ends, as well as the central Paget and Warwick routes. These ferries serve as critical transport links for a wide range of residents, business, and tourism visitors alike. This means funding new boats where needed, and ensuring they are properly maintained over time. This Government's continued lack of support for one of Bermuda's iconic modes of transport is inexplicable, with no new ferries funded in the Budget.

6.7 Increasing Accountability

With the increase in revenue and spending under the Government's Budget, as well as our own OBA plans, there must be strong accountability. We have seen how this and previous PLP Governments have spent lavishly, with a lack of transparency and accountability. They have produced bad results and have left Bermuda with massive deficits and a debt hangover.

Mr. Speaker, the OBA would ensure that all government departments, quangos, and affiliated organizations have transparent, up-to-date accounts. We would work closely with these groups and the Auditor General to provide resources so that all accounts are prepared, submitted, and audited on time. In that way, we would deliver a truly consolidated and transparent view of how the people's money is being spent.

We'd ensure the Department of Statistics was properly funded, so economic data can be reported consistently and on schedule – an essential input for decision-making. Beyond funding the legally-required census, this Government's plans show little commitment to include any other increased support for this function.

We would ensure the judicial system is properly funded, with independent control of spending. A fair and efficient judiciary is an important part of society. We would also introduce scaled fees for commercial cases, to enable revenue from our commercial courts to support our family courts as well as much-needed attention to probate applications. Good courts are an asset for a business jurisdiction, and businesses are willing to pay for them.

Finally, Mr. Speaker, we support a more independent Parliament. This includes giving Parliament control over funds to provide appropriate working spaces for staff and legislators, and support for scrutiny committees such as the Public Accounts Committee and the Oversight Committee. Ultimately Bermuda's historical Parliament ought to be restored to its proper place on the hill, fully equipped to carry out the business of the people. The PLP Government has starved Parliament for resources, with only a \$1.7million allocation towards restoring the people's House.

7. How to Get It Done

Bermuda's people have many needs right now, and we've presented a wide range of initiatives to meet those needs. We've outlined why the CIT revenue is not the magic bullet the current Government hopes for, and explained why we must provide targeted support, while maintaining a focus on paying down our debt. A natural question then is, how will an OBA Government fund its proposals?

Mr. Speaker, the short answer is: by not wasting money, by targeting tax breaks for those who need them most, by being more efficient and effective, and above all by paying attention to Bermudians. And many of our commonsense proposals don't need much if any, spending.

Fixing education is not a cost issue – it's a performance issue. Our proposals to improve health outcomes will require some initial spending, but ultimately, it will cost less. Bringing investors to Bermuda for new projects doesn't cost money, and giving tax breaks on projects that wouldn't otherwise happen also costs nothing.

It's not hard to identify PLP spending that never should have happened. Everyone is familiar with the money given away to Savvy, the vertical farming boondoggle, and the millions wasted on the Gaming Commission. And we've already mentioned the \$2.5 million failed guarantee for BPMS and InnoFund. A look through the contracts list will identify things like \$300,000 on "research" for IDT. And the Government is still paying through the nose for a Middle East consultant.

Mr. Speaker, while we are discussing the Middle East, I challenge the PLP Government to explain to Bermudians what concrete benefits have come from all these Ministerial visits and conferences. How many new jobs will they create for Bermudians? How much new investment? Remember, money isn't the only resource that can be wasted. Our leaders are accountable to the people for how they spend the public purse and for how they spend their time. If they don't produce tangible results for Bermuda, they are wasting both.

7. How to Get It Done

The Premier is passionate about Fintech, but in reality, it is at best likely to be a niche business in Bermuda's portfolio. In fact, the crypto markets have recently taken a huge fall, and it's unclear if they will return to the previous hype-driven heights. Fintech and Crypto won't fix education, they won't reduce healthcare costs, and they won't build more housing. So, while the Premier makes numerous visits to the Middle East and Crypto conferences to "make connections", he is neglecting what's important for Bermuda and Bermudians and the everyday challenges they face.

A similar argument could be made about Caricom. The Government has yet to identify concrete benefits to Bermudians commensurate with the time and energy being spent. Bermudians have real problems that need to be solved today, and overseas Ministerial photo-ops aren't cutting it.

Finally, we've given specific examples on how the OBA will differ from the current PLP Government in how to provide much needed relief to Bermudians.

As another example, further percentage cuts for vehicle licenses make no sense. Why should well-off people with big cars get a larger benefit than families already struggling to afford a little car? The OBA would connect tax relief to things like the size of the car or the owner's payroll tax bands. Again, it's not about grabbing the headline and another photo-op. It's about giving more to those who actually need it most.

8. Conclusion

Mr. Speaker, this budget debate is not about spreadsheets or political talking points. It's about leadership, about choices, and the future of Bermuda.

We have laid out the facts and have taken a detailed look at the poor performance of this PLP Government and the risks in their fiscal approach – performance that has, unfortunately for the people of Bermuda, fallen short by multiple measures and statistics. We've dug deep into the opportunities and risks of the Corporate Income Tax. We've put forward practical steps to manage these funds responsibly to secure Bermuda's future, while improving the lives of everyday Bermudians.

The difference is clear.

The One Bermuda Alliance focuses on fixing the underlying issues facing Bermuda, not on temporary band-aids for short-term political wins.

We would target support where it is most needed, protect our revenue base, create growth and opportunities, and build long-term stability instead of chasing short-term political applause.

As we began our Response to this Budget with the stories of the Smith family and Ms. Jones, let us remember what they represent – the quiet pressures facing working families. The anxiety of seniors living on the edge, and the very real questions about whether opportunities exist for our young people.

Their experiences reflect the lived reality of Bermudians who work hard, play by the rules, and still wonder whether this country is working for them.

Mr. Speaker, budgets are about more than numbers. They are about whether families can build a life here, whether seniors can age with dignity. Whether young Bermudians see real opportunity, or more empty promises.

It's time for transparency. It's time for responsibility, and it's time for this PLP Government to be accountable to all Bermudians.

On this 21-square-mile island, we need an economy that finally works for our people – one that is stable enough to inspire confidence, fair enough to protect the vulnerable, and strong enough to secure our future. This is the Bermuda that the One Bermuda Alliance is committed to creating – not just for today, but for generations to come.

Thank you, Mr. Speaker.



One Bermuda Alliance

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