



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Thursday, 18th July 2019

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Present:

Sir Richard J. Collas, Kt, Bailiff and Presiding Officer

Law Officers

R. M. Titterington, Q.C. (H.M. Comptroller)

People's Deputies

St Peter Port South

Deputies P. T. R. Ferbrache, J. Kuttelwascher, D. A. Tindall,
B. L. Brehaut, R. H. Tooley

St Peter Port North

Deputies J. A. B. Gollop, C. N. K. Parkinson, L. C. Queripel, M. K. Le Clerc,
J. I. Mooney

St Sampson

Deputies L. S. Trott, P. R. Le Pelley, J. S. Merrett, G. A. St Pier,
T. J. Stephens,

The Vale

Deputies N. R. Inder, M. M. Lowe, L. B. Queripel,
J. C. S. F. Smithies

The Castel

Deputies R. Graham L.V.O, M. B. E, C. J. Green, B. J. E. Paint,
M. H. Dorey, J. P. Le Tocq

The West

Deputies A. H. Brouard, A. C. Dudley-Owen, E. A. Yerby,
D. de G. De Lisle, S. L. Langlois

The South-East

Deputies H. J. R. Soulsby, H. L. de Sausmarez, R. G. Prow, V. S. Oliver

Representatives of the Island of Alderney

Alderney Representatives S. Roberts and A. Snowdon

The Clerk to the States of Deliberation

J. Torode, (Her Majesty's Greffier)

Absent at the Evocation

M. P. Leadbeater (*Indisposé*); C. P. Meerveld (*Indisposé*);
M. J. Fallaize (*relevé à 9h 44*); S. T. Hansmann Rouxel (*relevée à 9h 44*);
P. J. Roffey, (*relevé à 10:34*); V. S. Oliver (*Indisposée*)

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States of Deliberation

*The States met at 9.30 a.m. in the presence of
His Excellency Vice-Admiral Sir Ian Corder, K.B.E., C.B.
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE BAILIFF *in the Chair*]

PRAYERS

The Greffier

EVOCATION

Billet d'État XIII

POLICY & RESOURCES COMMITTEE

II. Taxation of Motoring – Debate continued –

Propositions 1-2 and 4C carried; Propositions 3 and 4A-B lost

The Greffier: Billet d'État XIII – Article II – Policy & Resources Committee – Taxation of Motoring.

The Bailiff: We start general debate, if anybody wishes to engage.
5 Yes, Members may remove their jackets if they wish to do so.
Deputy de Lisle.

Deputy de Lisle: Thank you, sir.
10 The introduction of a distance-charging mechanism which we are being introduced to here is not something that I would support, sir, and I do not think it is something that generally is supported outside. People have got accustomed to what they have which is the cost on fuel and there is the thinking that it will be involved to set up, there will be a lot of research that will have to be undertaken and it will probably be costly to implement.

15 But more important, I think, it is likely to be restrictive in terms of socio-economic mobility. Everyone's activities will be monitored by Government – oh, that is nasty; that is very nasty – through the installation of an onboard digital device, if you please. I think that is a little reminiscent of the sewer tanker situation where suddenly the operators found themselves subjected to a monitoring system which will now be used on individuals if this goes through.

20 So I believe that the installation of an onboard digital device is another way of invading the privacy of people and I will not be supporting that. I just wonder whether in fact that monitoring

by Government is potentially not only an invasion of privacy but against data protection –
(**A Member:** And human rights.) (*Laughter*) and human rights. Thank you.

So that deals with Propositions 1 and 2, sir.

25 Proposition 3, I agree we do not want a charge based on ownership now, it would be just
another tax. We would be taxed twice – I think being taxed once is bad enough.

Then Proposition 4 I would of course go for 4A which is to agree that the rates of Excise Duty
on motor fuel should not be varied in the 2020 and 2021 Budget Reports. But I would not go for
4B and C which is hiking the cost to the motorist further.

So with that, sir, I would just support 4A and not support the remaining Propositions.

30 Thank you, sir.

The Bailiff: Deputy Green.

Deputy Green: Sir, thank you.

35 I did not expect to speak quite so early in this debate there seems to be not exactly a rush for
contributions this morning. Just a few points.

I will start with the point that Deputy St Pier referred to when he was summing up on the
Deputy Inder/Deputy Laurie Queripel amendment yesterday, which was unsuccessful by the
narrowest of margins, which is to focus again on what the Working Group on the Taxation of
40 Motoring actually concluded which is set out in the report both in the text of the policy letter and
also in the Report itself which is page 22 and the conclusion No. 1 was and I quote:

In order to enhance the financial sustainability of revenue from taxation of motoring, consideration would need to be
given to a move from the current system of relying largely on variable income towards a mixed system potentially
incorporating a fixed annual charge based on ownership and a variable charge based on usage;

I think that was a sound conclusion but I am not sure we have had enough substance, really,
either in the policy letter or in this debate so far in terms of why it is the Policy & Resources
Committee in their Propositions have departed away from that. I think that needs to be explained
45 in rather more detail. I think there needs to be more of their justification as to why the
Propositions do not marry up or reflect entirely one of the central conclusions of the Working
Group.

I actually think the assessment that the Working Group made was largely right. I think in those
circumstances I will probably be minded to vote against Proposition 3 on that basis because I do
50 not think we should be trying to put all of our eggs in one basket at this stage. I think there is
merit in having some sort of combination, slightly reminiscent of what we do now in relation to
the solid waste situation. Some sort of combination of an annual charge and a more variable
element

But that said, whilst I can see that the notion of a distance-charging mechanism itself is
55 consistent with the so-called 'User-pays' principle, I do have some doubts about how it will
actually work in practice. The detail of how the proposed mechanism will work is absolutely key,
but we are only being asked this morning to agree to it 'in principle', the detail will come later.

Now, some other speakers in this debate so far have talked about the fact that we should not
be kicking the can down the road but surely by definition if we are agreeing to something 'in
60 principle' and then going away to look at the detail that is exactly what we are doing here by
saying 'Yes, we agree with the concept but we will come back with the actual finer detail at a later
stage'.

I am not sure, sir, that there is a particularly obvious or foolproof system for enacting this sort
of distance-charging mechanism, certainly not in a simple or cost-effective way that kind of jumps
65 off the page at you.

The policy letter itself makes the case quite well, I think, for the need to move away from the
current policy of relying solely on Excise Duty on motor fuel, and I certainly accept that; but the
precise mechanics of how the mechanism itself for measuring distance I think at this stage is all a

70 bit wishy-washy. I do not think there is enough substance and in effect we are persuaded to agree
the principle and then rely on the Committees coming back with practical, workable, feasible,
mechanisms.

But, again, I am not sure that is necessarily a satisfactory way to conduct policy. I know we have
done that in many other areas but I always think back to the subject matter of a certain
75 referendum in July or June of 2016 when, in effect, the people of the United Kingdom voted fairly
narrowly for the concept of leaving the European Union – and then of course all of the practical
detail in terms of what that actually meant, how it would work, was then left for another day; and I
do not think they have cracked that nut even now.

There are also, potentially, some privacy and individual liberties that and Deputy de Lisle
hinted at that just a moment ago. I think we do need to hear more on that in terms of how there
80 will be safeguards both in terms of data protection and human rights surrounding the issue of a
distance-charging mechanism. It will mean that the States will have even more data about what
individuals do with their vehicles, where they go, when they use them, how much they use them.
Those sorts of considerations are not negligible, they do need to be factored in and we do need
to hear more on that from the proposers of this policy letter in terms of how those concerns will
85 be addressed, minimised and/or mitigated, if necessary.

Finally, sir, I do not think we can discuss the taxation of motoring without any consideration of
the overall taxation system itself. I think looking purely at the taxation of motoring in isolation is
always going to be a slightly unsatisfactory thing to do, it needs to be joined to the overall
90 sustainability of our tax system as a whole, in my view. (**A Member:** Hear, hear.) We know that we
are still narrowly over-dependent on employment taxes generally. Yes, we need to move away
from duties on fuel, but would we necessarily need to look at a distance-charging mechanism if
we had had a much broader look at the taxation system? And, if we had generated potentially
other sources of revenue, would we necessarily even need to go down this road? I am not sure
that we necessarily would do.

95 So in those circumstances I will certainly be voting against Proposition 3. In terms of
Proposition 4 I think I am minded to support Proposition 4A moving forwards, but I will listen to
the rest of the debate on the distance-charging mechanism point, because although there are
certain attractions to it in principle I think that the devil is always in the detail.

100 I think before we go off and support the concept of that I think we need to have some
reassurances in terms of how it will work, will it be feasible, will it be practical, and how the
concerns about privacy and individual liberties will actually be addressed.

The Bailiff: Just before I call the next speaker, I think two people have entered the Chamber,
Deputies Hansmann Rouxel and Fallaize, you both wish to be relevé do you?

105

Deputy Hansmann Rouxel: Yes, thank you, sir.

Deputy Fallaize: Thank you, sir.

110 **The Bailiff:** Anyone else?
Deputy Merrett.

Deputy Merrett: Thank you, sir.

115 Cars currently clock up mileage, they do not say where you have been or who you have gone
with or when you went, sir, they simply clock up mileage.

If Members are concerned about the Government or anybody knowing where you are right at
this current moment Members might want to check their mobile phones, and check their tracker
devices are off or their location devices are off, because that will literally pinpoint where you are
and that can track where you have been. So let's have a reality check here. I mean unless
120 corrected by P&R when they sum up this is about distance charging, this is about how many miles

you have gone, not where you have been, who you have been with. I do not want that information it has no interest to me at all, sir. *(Laughter)* This is about each vehicle, not each *person*. It is the vehicle. It is a distance-charging mechanism for a vehicle.

125 Now in my mind, sir, and I try to rationalise this as much as I possibly can, in theory each vehicle, not each person, would have a device which enables distance measuring. **(Deputy Inder: How much?)** So if each vehicle has that then surely there needs to be a flat rate of some description for each vehicle, which in my mind means a vehicle-ownership tax because you would have to have it for each vehicle, sir. And as I said to you before there could also be a variable mechanism for the distance-related charge and we can vary that to whether that vehicle is, for
130 example, an electric vehicle or a taxi, or the classic meals on wheels we liked to talk about yesterday. I think this is quite progressive, sir. I really do.

What I do not understand, sir, and why I tried so hard in the last Budget debate to freeze the fuel duty tax, is that I believe it is inequitable as it stands today and it is getting more inequitable every time we change that duty excise.

135 So if Deputy de Lisle is quite keen, as I am, sir, to support 4A what is the alternative going to be then? Because we can support 4A and say that in 4A is:

To agree that the rates of excise duty on motor fuel should not be varied in the 2020 and 2021 Budget Reports.

How do we intend collecting that form of tax? What is going to replace it? We can simply freeze it, sir, but then as Deputy Green said we need to find something else to replace it with. *(Interjection)* I do not wish to continue with fuel duty, I think it is inequitable; we have to find an
140 alternative and I believe this is a potential progressive way to go.

With all vehicles, sir, having what I would regard as an ownership tax, a flat rate in the first instance with a variable charge for the distance. It just seems progressive but maybe that is the issue.

145 Lastly, sir, what I think is the real elephant in the room and what we actually need to determine is whether or not there should actually indeed be an environmental tax. That to me is the elephant in the room. If this is going to be an environmental tax then we need to look at it slightly differently but even so, even if we make the decision, then having a mechanism of distance charging would enable us to change the variable rates for it to become, to work towards being an environmental tax. Clearly, if we decided to tax diesel vehicles more – like my own very old diesel
150 car – then that could maybe potentially push me into trying to save up to buy a more fuel-efficient car.

So I think that is the elephant in the room here, but I actually emailed the four Deputies concerned who came forward with this paper to say thank you, sir, because I was doubtful that we would see anything in this political term coming before us to decide or determine how we could
155 move away from fuel duty. So I do thank those four Deputies because they have brought something forward, and what they are asking ... And why they are asking it 'in principle' is they need to go out and trial it, they need to get some direction for this year's Budget, that is why they are doing it now because they want some direction towards the Budget.

160 In the time parameters because, unfortunately, it was not dealt with earlier in the political term, or earlier in the previous political term, when we saw this issue rising as literally the price of fuel duty rising and rising, and we were complaining about it: 'Gosh, we can't keep raising fuel duty!'

Okay, so what are we going to do instead?

165 I have not had that answer from Deputy de Lisle; I have not had the answer from anybody other than the amendment yesterday which tried to look at it more on ownership. But I would argue again, sir, that actually I think that tax could be seen to be in this measure, because it will be – unless I am corrected otherwise, and I look forward to the summing up of this debate on the vehicle, not on the person I can reassure the community I have no interest in where they are going or who they are seeing or what time of day it is. I have no interest in that at all, sir, but I do have an interest for the wider benefits of the community, in ensuring we are able to collect some tax

170 and that it is sustainable because of the very position that Deputy Green said we as an Assembly
find ourselves in with our tax regime across the whole.

So if we want to retain this kind of tax take, if we want to be progressive and move on then we
need to start giving the 'in principle' decisions to allow the relevant Committees – oh I will give
way to Deputy Green.

175

Deputy Green: Thank you, sir.

I am grateful to Deputy Merrett for giving way.

She has mentioned a few times – it is a good speech she is making – that the distance travel
mechanism would be progressive. Where in this policy letter is the evidence that it would be
progressive?

180

A Member: It is just another word.

Deputy Merrett: Okay, so if you work on logic – I know it is dangerous, I have been told by
other Deputies, 'Don't be logical, Deputy Merrett, it's not a good thing to do; don't do it, don't be
logical'

185

Because if I consider the current collection of fuel duties to be regressive, as in I believe it is
inequitable going forward, because like myself who have older vehicles – and I bought my vehicle
when it was diesels were absolutely brilliant for the environment – I, in theory, if I use my vehicle
at the moment would pay tax or duty at the pump but somebody with an electric vehicle will not,
or some other vehicles or hybrids will not. I am not saying that I do not want to encourage electric
vehicles; I absolutely do. I think actually one thing that would be worth considering is if you are
going to do any subsidies for electric vehicles you could perhaps subsidise people like taxi drivers
to move to electric vehicles because they are on the road more often than potentially any other
person. I give way to Deputy Inder.

190

195

Deputy Inder: With the greatest respect, sir, I think the average car – and we are just talking
about taxis and this was mentioned yesterday – they are obliged to do something like 20,000
miles a year – that is 20,000 miles a year. I think an average electric car at the moment will do
about 100 miles before it needs recharging.

200

On a good night, a taxi can do up to 200 miles. Right now, you are not going to move the taxi
industry into electric cars, it is just not going to happen. I am sorry, it is just la-la land.

Deputy Merrett: So to answer Deputy Green's question – oh, I will give way to Deputy
Hansmann Rouxel. This is exciting! (*Interjections*)

205

Deputy Hansmann Rouxel: Perhaps Deputy Inder would like to do some research on electric
vehicles. The current tranche of electric taxi vehicles can go up to 300 miles a day.

210

Several Members: Hear, hear.

Deputy Merrett: Okay.

I refer back to Deputy Green's question, and that actually was a question.

So if I believe the current regime is regressive, and if I believe I do not want to go back to a flat
rate of motor tax just because I own a vehicle and we all pay the same regardless of usage. If that
is what I believe – and I do, for clarity – then the only way forward as far as I can consider and I
have researched this. Clearly, I researched this last year for the Budget debate because I laid an
amendment to not only freeze fuel duty on all vehicles being diesel and petrol, but I also laid an
amendment which tried to constitute a committee of the States to look at this in more detail.

215

220 So already, before I did that, because I honestly considered that, had it passed I would have had to put my hat in the ring for that to say I will be on that committee, I had done all the research with other Deputies to consider what other alternatives there may or may not be.

This to me, through you, sir, to Deputy Green seems a progressive measure, where it gives us more control going forward over a long period of time and not reliant on the tax from fuel but
225 reliant on the distance travelled by vehicles – not by people. I will give way again to Deputy Green.

Deputy Green: I am grateful, sir. I am grateful to Deputy Merrett.

I am not going to needlessly extend this, but I just think the use of language is quite important.

Deputy Merrett is absolutely right to suggest that the current system, I think there is probably
230 universal agreement we need to move away from – perhaps not universal, but a near-universal belief that we should move away from it. Undoubtedly that current system is not a progressive system. But where is the evidence that moving to a distance charge-mechanism will be progressive?

My understanding, sir, of the definition of progressive, is that those with the broadest
235 shoulders, if you like, pay the most, and those further down people with a bit more limited means will pay less. Where is the evidence that this model that is being put forward is progressive in those terms on the definition of what progressive actually means?

Deputy Merrett: I will rise to give way to Deputy de Sausmarez.

240

Deputy de Sausmarez: I thank Deputy Merrett.

I think Deputy Green raises a very valid and very important point and he is absolutely right in his summary that the current system is regressive for the reasons Deputy Merrett has outlined, and that it is more likely that people on lower incomes have the least fuel-efficient vehicles and
245 therefore pay a disproportionate amount of fuel duty at the moment compared to people on higher incomes. So Deputy Green and Deputy Merrett and I are all on the same song sheet and I am sure everybody recognises that.

Deputy Green is right to needle this point and I think the answer – and Deputy Merrett may well agree with me – lies in how you choose to weight any system, any distance-charging system
250 because we all know that that capacity exists.

Now, I am not for a moment suggesting that this is what I would propose but I can give Members an example of a progressive measure of the type that Deputy Green is talking about. In the UK there is actually an additional levy made on vehicles over a certain value and that value happens to be £40,000. That is an example, I am not endorsing that particular thing but I am
255 saying that within any distance-charging regime you would have the flexibility to weight things in certain ways according to whatever your social or environmental objectives are, and it is perfectly possible to incorporate progressive measures within that.

Deputy Merrett: Thank you, Deputy de Sausmarez. Yes, I do actually completely and utterly agree with Deputy de Sausmarez.
260

I think the key word there for Deputy Green's attention is 'mechanism' which means that it can be variable, and that is why – and I will sit down shortly, sir – I mentioned the elephant in the room should have been, in fact, an environmental tax; because in that case we would potentially choose mechanisms accordingly.

265 Now my last question to P&R please, sir, because I totally agree with other Members that we need to ... I understand it is an 'in principle' decision, but my last question is that if it is a mechanism, sir, will it be similar coming back to the States in the Budget – whenever, maybe – regarding other excise duties? So, for example, will the States be asked – as we are with alcohol and with tobacco – are these the charges we want to charge our community within this, if this
270 comes to fruition within a distance- charging mechanism? Because, as we all know, some

Members like to do amendments and maybe we should challenge some of the decisions. Decisions? Maybe I should say 'guidance' – that P&R offer us towards the Budget.

275 So I was wondering if this comes back, if there will be a mechanism within the Budget time, to say actually we may or not believe this should, or should not, be more of an environmental tax or more of a social tax rather than just a tax-raising revenue?

So that is my last question. And nobody else? Lovely! Right I will sit down.

Thank you, sir. *(Laughter)*

The Bailiff: Deputy Inder, and then Deputy Smithies.

280

Deputy Inder: Thank you, sir.

I just wanted to help Deputy Hansmann Rouxel out with her research. It is, as I suspected, there was a Manchester study conducted by a firm called TX and they actually create these sort of hybrid vehicles which are part petrol, part electric. The average mileage done in Manchester was 285 60-70 miles in an average working day, because they are backed-up by petrol engines, and I will just read this:

With the backup of the petrol generator adding almost 300 miles ...

So I think if we are reading the same thing the 300 miles reference is related to a standard petrol engine back-up. It is not an electric car or an electric taxi that can do 300 miles on a single charge.

290 The reality is that Guernsey taxi drivers on a busy night do far more than 60-70 miles up dale and down hill. But anyway I thought I would correct that for her.

Sir, you are either for this or you are not. I simply am not. I concur with Deputy Green but the difference is he is going to listen to the rest of the debate and I am not. *(Laughter)*

295 I mean I have never seen anything quite so Orwellian, to be perfectly frank with you. Government installing tracking devices in 50,000 cars: well, who is going to pay for that?

What are we going to do? Gantry charging? Think about gantry charging, think of the London example. What the London example does is it charges you when you are actually in the zone, I think it uses something called – and I am going to get this slight wrong – 'automatic number plate recognition'. So they only recognise you for the zone where they have got the problem.

300 It does not charge you once you have left the zone and go to your house. The idea that Government will be putting monitoring devices for the purpose of charging the ordinary working Guernsey man and women through a year on their mileage is just... It is an utter anathema to me. At 1.4 in the Executive Summary, it says:

It is proposed that further detailed research and a pilot exercise ...

305 Well, there is no detail on that at all. You are being asked to effectively give Government *carte blanche* to go out and do this grand experiment on a pilot scheme with no idea what the actual system is going to be – none whatsoever; there is no detail in here whatsoever – an open chequebook to do a pilot scheme. A pilot scheme might mean that it might not actually work; or Government being Government they will throw as much money at it as possible to save the embarrassment of having a pilot scheme that does not work and carrying ... The expense of this is 310 likely to be absolutely huge.

... to collect comprehensive data which could be used to calculate and model an appropriate charging structure for a distance charging mechanism, together with an assessment of the effect of any potential changes in behaviour.

Government again wanting to change your behaviour. Well, probably most people want to change my behaviour. *(Laughter and interjections)*

But what is the behaviour that you would like to change? I take my double bass in this knackered old Octavia I was speaking about yesterday – through you, sir. A broken old Octavia

315 that I got yesterday. I am not going to do it on an electric cycle. It is just not going to happen! Unless they come up with inflatable double basses in the near future, (*Laughter*) the idea of me taking a double bass up to the Grammar School on a Saturday and St Sampson on a Thursday, I just cannot do it. I may not use that car every day, in fact I am on the motorbike again today as I normally am, for as long as the judicial system allows me on the roads, and I will use it.

320 Actually, under distance charging – (*Interjection*) just two seconds I have got to finish my stand-up routine at the moment – (*Laughter*) I will give way in a minute Deputy de Sausmarez.

325 Actually, I am on my motorbike and I have used my motorbike for the past 10 years. I should have used it a lot earlier. Under distance charging I may as well leave it at home. There is no incentive for me to actually carry on riding my motorbike which is a heck of a lot ... I may as well just jump in the car. Actually the logic is not as Deputy Merrett might see it and I do not mean that unkindly.

I was going to give way – I will give way to Deputy de Sausmarez.

Deputy de Sausmarez: I am very grateful to Deputy Inder for giving way.

330 The first point is slightly facetious actually, because I have got a photo that I took a few weeks ago of a friend of mine transporting a double-bass on his bike, so it does happen around the Island. (*Interjection*)

335 However, just on the more serious point that Deputy Inder raised last time. I think the point that he has missed, that has been brought up by Deputy Merrett and others in this debate, is the potential to apply different rates for different types of vehicles. So any journeys that he does on his motorbike could quite feasibly cost him considerably less than any miles that he chooses to do in his Hummer, or whatever his other vehicle is.

Deputy Inder: And I will give way to Deputy Merrett.

340

Deputy Merrett: Well, thank you, but I do think Deputy de Sausmarez has confirmed it clearly. I think it would be potentially obvious –

Deputy Inder: That's all right you can sit down now.

345

Deputy Merrett: In my world it is completely obvious and quite logical that if you took a motorbike rather than, I do not know, I will go back to my diesel car – that the mechanism rate would be cheaper. I mean, that is the whole point of the exercise, sir.

350 **Deputy Inder:** Well, I do not think there is any point in the exercise because there is just not enough detail here. It is a pilot scheme.

Anyway I just do not dig this whole idea of changing *our* behaviour. What is Government so worried about that they have to check what Islanders are doing in their very normal lives?

355 Again I have to refer through you, sir, to Deputy Dorey: yesterday he seemed to think if you drop fuel suddenly people are going to be driving more. I genuinely do not understand. I cannot think of many people apart from when we are 17 or 18 years old going on a Sunday spin around the Island. Who just drives around the Island because fuel is cheaper? (*Interjection*)

360 I mean, well could anyone stand up in this Assembly right now? Oh, Deputy Merrett is probably going to tell me if fuel was dropped by half she will just go driving round the Island. I will give way, sir.

Deputy Merrett: I will just supply a little bit of logic again.

365 If I have to pay £100 a month potentially for my diesel car, which is what I was paying, and I find that financially I am restrained or constrained with measures which I am at the moment, then what I would potentially do is think, 'Do I use my diesel car to nip into Town to do that? Or shall I cycle?'

370 So, therefore, if I am of limited financial means, and I have the ability to do so, I may consider the financial implication of taking my car out of the garage rather than cycling, or rather than getting a bus for a pound, sir. I am not saying I will go on a Sunday drive, but I would make an *informed* decision on whether or not I wished to have the extra cost of fuel in the way I get from *a* to *b*.

Deputy Inder: Okay. Well done, Deputy Merrett.

375 Anyway, in my humble opinion – no, sorry, Deputy Dorey I am not giving way I heard, through you, sir, him yesterday.

In my simple view and I do not even like using labels, I have got a very libertarian view in life. I do not really care what you do as a member of the public, I genuinely do not; but what I do care about is how much Government gets involved in your life. I do not like the ideas of modal shift; I do not like the ideas of behavioural change. It just stinks to me of this sort of Orwellian view of Oceania Ministry of Truth, progressive becomes regressive, regressive becomes progressive, and this sort of illogical language, that to be perfectly frank with you the majority of the Guernsey people outside of this Assembly do not understand and do not even recognise it as a language.

380 So Government, I am afraid, we are increasingly becoming interfering, impertinent, intrusive, and this is ...

385 I am sorry; I am drawing a line on this. I do not want Government basically, effectively distance-charging me and tracking my movements. I do not like it, it is rotten to the core and I will not have anything to do with this. I ask Members of this Assembly to reject this entirely.

The Bailiff: I said I would call Deputy Smithies next.

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Deputy Smithies: Thank you, sir.

I was rather glad that Deputy Green spoke early as he did, because he put into words my thoughts which will save me time and you in listening to. I am not going to repeat them.

395 However, I do not think he went far enough in one regard. To me this document smells of desperation. 'Crumbs, we are losing revenue, what are we going to do about it? Clutch at a passing straw'. (**A Member:** Hear, hear.)

There is no evidence that this system is going to work. Okay, we are being asked to go down the route of carrying out an inquiry, but surely we have a mechanism already in existence by which we can raise revenue in a progressive way and that lies in car insurance.

400 Everybody pays insurance on their cars and generally the more expensive your car, the more insurance you pay – even though people have no-claims discounts, and one might say it would bear down more heavily on the young who tend to pay higher premiums. But, nonetheless, that mechanism exists: simply introduce a percentage tax on insurance and problem solved.

405 **The Bailiff:** Deputy Paint.

Deputy Paint: Sir, as I said yesterday I despair of this, all of this.

410 I try to go to France twice a year with my car for various reasons to see friends, to have a bit of a holiday. I do between 3,000 and 4,000 miles worldwide on motor vehicles. Mostly in France, which is my vehicle. I have now in France to pay a pollution charge if I go into any cities, that costs €2.95. So if you look down, how are you going to charge vehicles that come from other parts of Europe on holiday here; or are you just going to charge the local population? That is one of the problems.

415 What about mobile homes that come here or go from here to France and other places in Europe: are you going to charge them if they do of their mileage away? Completely wrong.

The same with cars. How are you going to distinguish between a car that is going on a holiday to France, like I do and am quite happy to do so, and quite happy to pay a pollution charge in the places where they put them in.

420 It is exactly the same with motorcycles of all kinds. What about lorries? You see quite a few lorries coming from the UK and from Europe and France – how are you going to charge them? I mean, it is so complicated and so difficult, you are going to have to employ another 100 staff to make it work.

I am sorry, sir, this is pie in the sky again.

425 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

430 Because people have mentioned mobile phones I just, probably to the amusement of Deputy Shane Langlois who always dines out on my paces, but I have done 2,396 paces walking from home to this Assembly. It does not say where I have been, it is just the distance measured. So I think we need to bear that in mind and, if you are measuring distance, you can do that in an analogue fashion. The simple technology of an email exists now where you screenshot your current mileage to the relevant authority at the beginning of the year and at the end. I would trust in the community to do that, personally.

435 There are many remedies and I think the world has moved on from this *Big Brother*, because the *Big Brother* language now is: '*Big Brother* is protecting other people from harming you', and I think that has been the change over the years.

440 Also, I have to say through you, sir, Deputy Inder always manages to distance himself from a Government which he is a Member of, and I understand why there might a certain attraction to doing that, but this Assembly has and oversees a great deal of legislation that intrudes on people's lives. The former Housing Control of Occupation Law: where do you live? How old are you? Who lives with you? How old are your children? Where are they schooled? Dictating the property you could live in; dictating the level of rates that you would pay. That is what Government does sometimes, it has to manage a community in the sensible and proportionate manner.

445 Now, there is always as I alluded to yesterday, touched on directly in fact, this resistance to deal with the issue of motor tax in any shape or form when it comes up, or charging. I own two cars, our family own two cars rather, my car happens to be electric and I am paying nothing for that at the moment and it is not right. It is a heavy vehicle; it is heavier than most conventional vehicles. Proportionately, it probably does more damage to the road ultimately. I should be paying something on that vehicle.

So how do we do that? It is not unreasonable to say it should be done over distance charging.

455 Also, through you to Deputy Inder, sir, the man tasked with delivering Island-wide voting believes that distance charging might be difficult, I think is a little bit rich if you think of the relative nature of those challenges.

So I would ask Members to support the aspirations contained in the policy letter, sir.

The Bailiff: Deputy Ferbrache.

460 **Deputy Ferbrache:** Thank you very much, sir.

We have been very fortunate for the last seven years to have somebody who effectively discharges the role of Chancellor very well, but with very limited tools in his box; and if I had become Chief Minister three years ago I would have asked him to continue with the role of Chancellor.

465 This is something, and I fully respect Policy & Resources for bringing this document. The truth is that Government needs money. This brings in £20 million a year.

470 Our very able President of the Health & Social Care Committee said yesterday, in a gentle but fair enough way, that Health is going to need more money going forward, we all know that. We do not think there is too much fat on the Health bone, but we know that Health costs will go up. So the State will need more money.

The facts put in this policy letter are absolutely correct and people's usage ... Because vehicles are 30% more efficient than they were years ago, their social habits have changed, they have got a better bus system, all of that kind of thing, therefore revenue will fall and revenue will continue to fall in a dramatic fashion over the next 10, 15, 20 years. So we have got replace that.

475 The truth is our Chancellor does not have enough tools in his box to be able to bring in the revenue that we need. But where I absolutely agree with Deputy Paint and Deputy Inder and others is that I do not like the State interfering in people's lives. Deputy Merrett might like it, I do not like it, it is an interference –

480 **Deputy Merrett:** Point of correction, sir.

Deputy Ferbrache: I am not giving way to Deputy Merrett, she has made enough speeches today.

485 **Deputy Merrett:** Point of correction, sir.

The Bailiff: She is saying she is raising a point of correction.

Deputy Ferbrache: If it is a point of correction I have got to give way, I accept that.

490

Deputy Merrett: I do not like interfering in people's lives, sir.

The Bailiff: I do not think he said you did, he said you might –

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Deputy Ferbrache: I can only take note of the words that she uttered earlier.

In connection with that, the States should interfere with people's lives as little as possible. (**A Member:** Hear, hear.) I do not question the good faith of the people who bring this policy letter, but we know how things change over a period of time. Or the Police might listen to it: how many miles did you do yesterday? 'Mr Inder did 20 miles on his motorbike yesterday'.

500

Was he going to a pub? Did he have a drink? All of those kinds of considerations may seem far-fetched today but they may not be tomorrow. I know things change.

505

I remember when the first CCTV came in in Guernsey, and I thought, 'Why on earth have we got that? It is an interference with civil liberties, it is terrible'. We now live with that as part of our lifestyle and it has reaped some benefits – we can see what happened when there is a punch-up in Town that so-and-so punched so-and-so rather than the other way round. It makes life more difficult as a lawyer, but never mind you have to live with that. (*Laughter*)

510

But in connection with all of that this system would be bureaucratic, it would be unfair and it would be costly. The truth is that there is no particular remedy at the moment to the 70.1p per litre on fuel and that will continue if Proposition 4A is successful for the next two years or so, and I do not see any realistic alternative to that.

515

What we actually need is a root-and-branch review of our tax system. (**Several Members:** Hear, hear.) A two-year moratorium which effectively 4A would achieve would give – whether it is Deputy St Pier or whoever it might be over the next couple of years or so – the opportunity to bring in something more radical moving away from motor tax.

520

What I do not want it to be ... Because I have heard electric vehicles – and Deputy Brehaut says he has got an electric vehicle – they are generally expensive things to buy. Lots of ordinary people, on ordinary incomes, cannot afford to buy an electric vehicle.

525

I absolutely agree with Deputy Hansmann Rouxel in a point to Deputy Inder, I do not know about the 300 miles etc., I am not there, but the technology with electric vehicles is constantly improving and it will constantly improve over the next few years, and they will become cheaper. It is like refrigerators: it was only rich people who could buy refrigerators 50 years ago and nearly everybody has got a refrigerator nowadays. So things will change.

525 You could easily do something with electric cars in the interim, you could have a mechanism whereby if you buy an electric car you pay a significant charge, and you pay an annual or bi-annual fee, call it motor tax call it whatever you will, until we have got a different way of taxing.

I think what we have got to say – we are about 10 or 11 months away from an election – is the spectre of the figure of goods and sales tax may arise again. I think all of us ... I certainly did say last time that we were not in favour of it, we were not going to vote for it we, were not going to bring it forward and we are now three or four years on from that.

530 We have got to be honest with the electorate because this £20 million or thereabouts, that is raised through fuel revenue, is absolutely necessary. (**A Member:** Yes.) We are not going to be reducing our Social Services, we are not going to be reducing our Health costs, we are not going to be reducing our Education costs, so that money has to be found.

535 We can say what we like; we can talk about our community as much as we like: but, ultimately, our community has got to pay for all the taxes that it receives.

Deputy Trott made a point, and he has made it several times, but he did it in a way saying, 'Look, I am not trying to belittle anybody but the fact is the average taxpayer and the amount of tax they pay, pays for very little'. Now, he explained what he meant by that so therefore we get good returns for the investment that we make as taxpayers but somebody has to pay.

540 What I do not want, and what I fear is that we will end up with motor cars just being something for the rich. Now, I do not have a problem with Mrs Le Page from Torteval and she may be Deputy Trott's friend but she is also my friend. Mrs Le Page from Torteval, or probably *Mr* Le Page from Torteval in his small vehicle is going on a family drive on a Sunday, because he wants to go and drive round the Island. He is probably retired, he has probably got a pension of
545 £250-£260 a week and an overall income with his wife of perhaps £300-£350 a week – that is not a lot, but he should be able to do that because it is a small pleasure.

The people that can afford electric cars, that can go skiing, that can afford to pay for their children to go to private school are not subject to the same restraints as Mr and Mrs Le Page from Torteval who drive their car around on a Sunday. I do not ever, ever want this Island to just be for
550 the rich and the privileged and the self-indulged to be able to say that they can do that.

Now, of course, we have got the environmental topic and I do take objection to it. I really, really do take objection to some Members thinking they have got the environmental lobby under their particular thing. I was as environmentally friendly as anybody. I realised that we have got to change, the world is changing, whether it is due to man-made things, which it probably is to a
555 degree; or whether it is just due to the fact that the world's axis changes from the sun and the climate does change over the years – all of those, both of those are probably true.

So we have got to do something, but what we must not do is penalise the ordinary person. (**A Member:** Hear, hear.) This will bring in a complete level of bureaucracy, I am going to vote against it, save for 4A. But I do not want that as a criticism of Deputy St Pier and his colleagues, it is just that I think we have got to be honest and say we need a much wider look into our taxes.
560

The Bailiff: Deputy Langlois.

Deputy Langlois: Thank you, sir.

565 I am just rising because I was rather surprised that Deputy Ferbrache is calling for a review of our taxation system, and obviously somehow believes that that is going to result in lower motoring costs for Islanders, when everything in the policy letter and in Deputy St Pier's opening speech pointed out that motoring costs in Guernsey are far lower than they are, certainly in the UK, but also in Jersey. If we have a review of our taxation system there is little chance that the
570 costs to the motorist will actually reduce.

What we are trying to achieve is a fairer system. It is a truism that if you are trying to achieve an objective the more tools in the box or levers you have the more chance you have got of achieving a balance and achieving that objective. It is the old metaphor of not just having one club in your golf bag.

575 That is what the Working Party came up with: a distance charging which seems eminently sensible to me and as Deputy Brehaut said exploring the technology is quite exciting and I am sure we could dissipate the fears expressed by Deputy Inder about being able to track people – his lack of faith in technology was quite interesting as he is from a technological background, I understand. I will give way to Deputy Inder.

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Deputy Inder: Well, through you, sir, Deputy Langlois sort of twists my words and it seems I have got a lack of faith in technology. It is the fact that I have got knowledge of the technology and I know what the technology can be used for and I have seen it used for. In fact I have used tracking myself all through my last 15 years of working – that is what use. *We track customers.* It is my knowledge, it is not my lack of faith in technology, it is because I know the technology. And maybe Deputy Langlois should reflect on that.

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Deputy Langlois: I think Deputy Inder knows the limits of the technology he knows, *(Laughter)* but the one thing that we have learnt over the last 20 years is the extraordinary way technology can always confound us. I have no concerns that it would be possible to devise a system so I could not find out where my neighbour drove to last Tuesday afternoon. I do not think that is really any kind of problem at all.

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I do have a problem with the Propositions, with the idea of taking an annual charge off the table, because we have got no idea really what the best or the optimum system might be. It might very well be that an annual charge and a very basic flat rate mileage charge might possibly be the best solution. We do not really know until we have looked into distance charging in greater detail.

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I know Deputy Dorey made a case for the cost effectiveness of a single charge, but that is not necessarily true. It might turn out to be true, but it is not necessarily true, and so I do not understand why we want to take an annual charge off the table as Proposition 3 suggests. So I will be voting against Proposition 3.

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I certainly will be supporting the earlier Propositions because I think a little Island like Guernsey is almost a perfect place to introduce something like this. We have not got the problems larger jurisdictions do. We can geofence the Island, we can address the kind of problems that Deputy Paint identified; and I think that this will inevitably be a very progressive move and we will have a more equitable, balanced taxation system on vehicles if we pursue the Propositions other than Proposition 3.

605

Thank you.

The Bailiff: Deputy Tooley.

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Deputy Tooley: Thank you, sir.

One of the many things that this Assembly is accused of is coming into debate with our minds already made up. I say that to excuse or explain the fact that this very brief speechlet might seem like a jumble of thoughts, but that is because I came into this debate without my mind made up. I wanted to hear what was to be said by the various speakers because this is tricky, it is really difficult deciding how we raise the revenue that has traditionally been raised from fuel duty. It is not a straightforward thing.

615

I am really quite perturbed by the implication that the technology around levying a charge on distance would be impossible to deliver, expensive to deliver and so on. I already have in my vehicle a device which counts my distance travel – it is called an odometer. *(Laughter)* I am pretty sure everybody has one, and in fact if I make a change to my vehicle at Bulwer Avenue one of the questions I am asked is what my mileage is displayed as on my car already; and in fact any time the AA come out to my car because my children have left the lights on in the back of the car and they have to jump start it for me, or I have got a flat tyre, they check the mileage on my car and they write it down on their form, I think as a kind of evidence that they have really been out to a

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call and that it was genuine, I assume that is why it happens. I will be honest I have never really asked why they check it. I have never seen it as a civil liberties issue.

630 My mobile phone as well as counting the paces I take which is fewer than my phone would like it to be (*Laughter*) will track where I am. It will, if I ask it to, keep a record of where I walk those paces, there are apps I can use for that. My children's mobile phones allow me to keep track of where *they* are which I do, not from a civil liberties point of view and they are all over 16, but so that if one of them is without charge on their phone, or they are using the buses to get about the Island, I know where they last were and know where to start to look. I am not for one minute suggesting that that is the kind of technology we should be using if we decide to go down a
635 mechanism where we are calculating how much a user should pay on the basis of the mileage they are travelling. Something far more like the clock pedometer with a regular self-declaration, trusting to the honesty of our local community would seem to me to be a much better start point if we were to go down this route.

640 But I do agree with Deputy Paint that there are then questions over how you deal with the cars coming in and off the Island. I think that is one of the best things I heard today that was something I really was not expecting to hear and made me think 'Oh, I hadn't really considered that'.

645 In terms of people coming on to the Island from off Island, that is not solved by a road fund licence road tax either, because we would be levying that sort of charge on our visitors unless of course we were thinking about charging some kind of visitor tax as lots of places do. Not something I would suggest would be a good idea with our falling visitor numbers and our rising visitor numbers: our 'fluctuating' – let's go with that word – visitor numbers, when we really want to encourage more people to come into our Island. I do not think we should look at doing that but it would be perhaps a way of beginning to address that.

650 Where my greater concern out of the comment that Deputy Paint made comes, is how we would manage the mileage that our local population does when they are off Island. I raise that because actually here is a place where I think this potentially could be regressive. I do think that somebody with deeper pockets, better-lined pockets would be more likely to fly off Island and hire a car when they got there rather than a family that might be more likely to take the boat and
655 take their car with them – I will give way in a second – because of the disparate nature of the way that is charged. It can cost less for a larger family to take a car off Island and to drive when you get there than to fly and then hire. – I will give way to Deputy de Sausmarez.

Deputy de Sausmarez: I am grateful to Deputy Tooley giving way.

660 I would have covered this in a speech but I think it is such an important issue we do need to straighten it out now. I think it would be illegal to apply that tax, or I am not sure if it would be illegal, but it would certainly unethical and certainly beyond the realms of anything that is considered here, to tax people for mileage that is not done on Island, that is not the point. Those other jurisdictions as Deputy Paint alluded have got their own mechanisms for charging for
665 vehicle use in their own jurisdictions, that is their remit. Our remit is solely on Island and so I think it is really, really important to set the record straight that this would only apply to mileage done on Island.

Deputy Tooley: Thank you.

670 I was going to go on to say that you might resolve that potentially by declaring your mileage as set when you leave the Island and then redeclaring it as you come back in. So there might be a very simple and straightforward way of dealing with that at the point of exit and the point of return. So I was going to go on to say that.

675 The other really significant point that has been made I think in debate is a point that has been made by several people but most recently by Deputy Ferbrache. That is that there are limited tools in the box and I do not think we should be removing possible tools from the box of the chancellor role in terms of working out how we fund the services which our Island so desperately needs.

680 I will therefore, as I said yesterday, vote against Proposition 3 but I am not at this stage, without proper work going into it, prepared to remove tools from the box; and this is without doubt something we should look at in more detail.

Thank you.

The Bailiff: Deputy Prow.

685 **Deputy Prow:** Thank you, sir.

I rise to speak very briefly indeed. It was the speech of Deputy Langlois that has brought me to my feet.

690 The speeches we have had from Deputy Green and Deputy Ferbrache, I will not go over that ground because I agree with a great deal of what they have said. What I understood Deputy Ferbrache to say and I would be happy to give way to him if I have got this wrong, is that he is pointing out the fact that this is a limited fiscal arrangement around motoring and I think Deputy Ferbrache was pointing out to this Assembly that it surely would be better for us to look at our fiscal policy in the round rather than just taxing the motorist every which way we can.

695 In a former life I spent over 40 years around collecting excise, it is our second biggest tax take, and in that experience in the reading material that comes out of the OECD they warn small jurisdictions around the dangers of having a limited tax base.

700 Deputy Merrett spoke about elephants in the room, quite rightly, in particular around environmental tax, but I think the biggest elephant in the room is around having a root-and-branch looking at our fiscal tax system. If I understood what Deputy Ferbrache was saying, he was not talking about over or under-taxing the motorist, he pointed out quite rightly that in her statement in the Assembly the President of Health and Social Care – and I am very proud to be a Member of her Committee – is pointing out to us all the ageing demographics, public expectations and the availability of drugs that were not available that this is putting a huge burden on the tax take that we have already and that is a nettle that has got to be grasped.

705 I believe, and I think in Deputy Green's speech and Deputy Ferbrache's speech, and they spoke very eloquently, that this is the message. This, sir, is why I have difficulty with all the Propositions 1-3, not because I do not understand that the £20 million tax must be maintained, but I think that using the expression of Deputy Inder about milking the cow from both sides, the tax burden in this Island falls very heavily on lower and middle Guernsey. And I would urge P&R to be looking at our fiscal policy in the round and not in a piecemeal way, just debating around how we tax the motorist again.

Thank you, sir.

The Bailiff: Deputy Brouard.

715 Sorry, Deputy Roffey you wish to be relevé?

Deputy Roffey: If I may, sir, and also be put on your list to speak when you get around to me.

The Bailiff: Well, you can be next, if you wish.

720 Deputy Brouard.

Deputy Brouard: Thank you, sir.

725 If I could ask Members just to indulge me for a moment. If you could possibly have a look at page 6 of the Report because there is one graph in there on 3.5 which I think tells a very interesting story. We are always advised that motor tax is losing revenue very quickly, but if you look at that graph it is very slow decline. I will pick up on Deputy Ferbrache's point ... It may well go very quickly downward as electric cars come into play and that is absolutely true, but please bear in mind that we have been fairly consistent and that line is a pretty straight line when you

730 look at the full gamut and the amount of income we have raised we have kept it around the same
by making extra duty.

We always use Mrs Le Page –

Deputy Ferbrache: Point of correction.

735 **The Bailiff:** Deputy Ferbrache, can you put your microphone on?

Deputy Ferbrache: Yes, I will thank you.

Paragraph 4.5 on page 9 of Deputy Brouard's own Committee's policy letter says:

It is anticipated that, under the current arrangements, revenues from duty on motor fuel will reduce by approaching 50% within twenty years and virtually disappear by 2050.

That is more than gradual.

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Deputy Brouard: Exactly my point, and if Deputy Ferbrache was able to sit on his hands a little bit longer this is the point I am coming to. It may well go very quickly and eventually over 20 years the amount of tax we will be taking from motorists using carbon fuels will probably be zilch. You are absolutely right.

745 Actually there is another point I want to come to, it was my point 4: the Give Way Rule was meant to be an oil to try and ease debate, but I think in the last day I was getting quite cross with people coming up with their give way, give way, give way. It is great for some people, some people who like that cut and thrust and they love it, but for other people it really throws you off your thread of where you are going. If you have not got that confidence it just becomes very
750 annoying. So my own personal plea is: please use the Give Way Rule lightly; but use it very heavily for those who love it. *(Laughter)*

We use Mrs le Page in Torteval quite a lot – and I did actually look up to make sure there was not a Mrs Le Page in Torteval *(Laughter)* and as far as I can tell there is not a Mrs Le Page in Torteval. It is a funny thing, but Mrs Le Page in Torteval doing a few thousand miles in her well-
755 maintained Ford Fiesta is probably better for the planet than her buying a brand new electric vehicle. The electric vehicle works really well when you are doing the high mileages. There will be a need for somebody to have an ordinary combustible engine, so please do not have them just as pariahs. We are very easy to criticise one person for doing this, or a larger family, or someone who goes on a skiing holiday, and we can soon get into a lot of pointing of fingers. So it is a problem
760 that we need to solve together without actually holding people to account on one particular aspect and then missing all the other aspects.

My thoughts were originally that as electric vehicles came into the picture they would start to pay some form of tax, that was my idea; and slowly as the carbon tax we get from the duty on fuel would reduce, at that half way stage we would be getting £10 million from duty on carbon fuels
765 and we would then be getting £10 million from the electric cars on the road, so it maintains the same £20 million. But unfortunately I lost that debate.

Also, we do want to incentivise. I mean, Government is always incentivising people to do different things: we are incentivising to make sure they take their children to school; we are incentivising people to drive on the roads correctly; we are incentivising people to behave well
770 with their rubbish and their waste. So the Government is always interfering one way or the other in trying to help society have some rules and code of conduct of how we work with each other.

My fifth point is probably just to touch on the mileage tax. Whatever form we have one of the big disincentives for those on the lowest incomes is trying to find these lump sums. We have just had that review, and I think it came out of Health & Social Care, about the different ages and where people had finance and it was the people in their 50s where some people could not get
775 hold of £100 quickly, some people could not get hold of £1,000 quickly.

780 Just think about it, if we had motor tax still today it would be somewhere around the £400 or £500, depending on how big your car is. That used to be quite a barrier for a lot of people to buy. They would probably get their car almost cheaper than they could get their annual taxation. So we have been quite successful in making it easy for a lot of members of our society to be able to run motor vehicles by having it on fuel where you pay a little bit each week or each time you fill up at the pumps rather than having a lump sum.

785 So my plea to my colleagues is, if we do go down the mileage route, that there is some way that people can pay this as they go because you do not want to have somebody with a very large family on less than the average income suddenly having to try and find £500 on 1st January, just after Christmas. That would not be a very progressive way of looking at things.

790 I just think finally I would, please, we are trying to set ourselves up as a digital hub and as a new, innovative way of working of how science and technology can come together. Give P&R the chance to see if this can really work. If it does not work – going back to that graph on 3.5 we have probably got a year or two where we could still do something, we could still kick that can down that road, but give us the chance. We have been advised by our colleagues on E&I that this mileage thing can really do it, we can be progressive with it, we can make it so that it suits the needs that certain cars can be charged at different rates, that there will not be that intrusion into people's lives. But, if that fails, we have still got enough time to go back to some other form of taxation.

795 So I would please ask, give us a chance to see if we can do this. If we are going to be a technology Island let's see if we can put our miles where our mouths are.

Thank you very much.

800 **The Bailiff:** Deputy Roffey.

Deputy Roffey: Thank you, sir.

805 I thought I ought to speak as in some ways Deputy Kuttelwascher and I started all of this, as Deputy Inder pointed out, back in 2016. That was as far as his accuracy actually spanned, because it was not true at all that the information was not there, that the graphs were not there, that the rate of decline was not well known; it was all very well-known and spelled out by Deputy Kuttelwascher and ourselves, and indeed I think Deputy St Pier, to the Assembly at that time. It is just that some people are a little bit slower on the uptake than people like Deputy Kuttelwascher and myself! (*Laughter*) We realised sooner than Deputy Inder and some others in this Assembly that the current set up was simply unsustainable.

810 Also it was claimed back then that we were suggesting returning to exactly the old form of motor tax that had been scrapped some years earlier. Nothing was further from the truth, what we were asking was to investigate the return of the concept of motor tax instead of relying on what was clearing the burning platform of simply taxing motoring through the *impôt* on fuel, when fuel consumption was steadily dropping.

820 Sir, I do not know if Deputy Kuttelwascher seconded my subsequent amendments, but I have kept pressing on this because I have realised we just have to do something, and the last amendment which I think was the Budget before last year's, is actually spelled out in this report. I am glad when I think that now the vast majority of Members of this Assembly do realise that we have to do something.

825 Sir, terminology is very difficult here and we are talking about 'Do we want a motor tax?' Well, motor tax can mean many things. It can be radically different from what we used to have and indeed in many ways the E&I/P&R idea of charging by distance could be described as a motor tax. It may not be an annual motor tax but a tax on motoring is a motor tax, so I think we have to get away from being too spooked by the actual terminology.

What I would like to know and pose the first question is – and it is a little bit like Deputy Brouard has to say – has any thought been given to how frequently this tax will be levied or whether there will be options of how frequently you pay it? I do think that having perhaps a

830 monthly or a quarterly option would be useful and for many people monthly would be easier for
their management. I have to say it drives me mad that my telecoms bill comes in monthly when I
used to pay quarterly and I was never in arrears, but that we are forced to do that these days and I
have to hang on the phone for 45 minutes before I am able to pay Sure ... I am diverting from the
issue here. But I would like to know if any thought has been given to how often – because Sure,
835 by the way, do not have an online payment facility, but anyway I got that in without hopefully
digressing too far.

Two things, sir, are absolutely sure: we do have to do something; and whatever we do is going
to be unpopular. No matter how often we say that this is not an attempt to increase the global
amount of tax on motoring in Guernsey some will simply not believe that. Such is life, such is
politics, people are cynical towards politicians, and they think that that is what is behind this. It is
840 not.

Having said that, I do not think there are any of our existing taxes that are sacrosanct if we find
that we are not bringing in enough money to the exchequer to fund all of the fundamental public
services, like Health, but not just Health, that we actually need in this Island. So I would certainly
not give a guarantee that £20 million was a figure set in aspic, even increased by inflation,
845 because I do not think there can be any sacred cows. But this is not about increases, that will be
another day and where we do it will be a decision to take.

Now, someone said, why take this in isolation, we need a fundamental review of our tax and
social security and everything else and where we raise money. I thought that Deputy Langlois –
not this one the other, shorter Deputy Langlois – had done exactly that, and his team recently.
850 Now, we can do it again and maybe hard realities are coming to bite and it may have a different
outcome, I do not know, but it is not as if this is something that has been done without us even
considering doing that, because it has been done and fairly recently.

Of course, we do not have to raise £20 million from motorists; of course we do not, we can let
that particular tax wither on the vine. But make no mistake, we are either going to have to tax
855 something else or we have to cut spending. I cannot think of the top of my head ... I suppose we
could tax milk, we could tax shoes. There are all sorts of things we could tax if we want to.
(*Interjection*) Sorry? Beers, was that? (*Laughter*) Unfortunately, sales would just go up, it is the
unexpected response to taxation, as is well known.

I would invite Members to say what they think might take the place of some of this motoring
860 tax, because I do not think there are any easy solutions, and I think certainly we have to maintain
at least the level of current taxing on motoring which is, compared with just about any other
territory, very low indeed.

The question is, is 'the user pays' the right philosophy? I tend to think that it probably is. In fact
in a way that tax *impôt* on petrol is a form of user pays, but of course it is not just by the number
865 of miles it is also depends on how much petrol or diesel per mile your vehicle uses, and I think
that is something that needs to be embedded in this scheme too, and I am going to return to that
in just a minute.

But in a way we have a user pays thing at the moment, and I think that is right. It is not as if
this tax is paying for roads, it is simply taxing an activity to raise money for general revenue. We
870 have not and never have had, as far as I am aware, a roads tax. People used to call it that when I
was first in the States 'I have paid my road tax'. But there is no such thing. We do not say to light
smokers, 'Well, you should pay a certain amount for the right to smoke. and then so much per
packet after that'; or to light drinkers, 'You should pay so much for an annual standing charge for
the right to drink, and then you will pay a bit more on top of that'.

875 If this was paying for the roads it would be rational and it would be like electricity or gas where
you have got to pay for the network and for the infrastructure to be there and then you pay more
according to how much you use. But it is not doing that. So I think going for a purely user pays is
right.

Should it be the only system though? I am not so sure. I heard Deputy Dorey yesterday and he
880 made a lot of logical sense. I have to say his logic has changed completely from the debate on

rubbish, where I think he supported having one standing charge to collect the rubbish and another standing charge to pay part of the costs of disposing of the rubbish, and then a charge per bag as a user pays, which can be quite minimal.

All right, I give way.

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Deputy Dorey: I thank Deputy Roffey for giving way.

The point I made on refuse was that there was glass, cardboard, green waste and the bulk waste which all had to be paid for. It was not efficient to collect the money for those by paying as you used them, because you pay small charges and it would be inefficient. Therefore those should be covered by a fixed charge which is the system that we have; and you have a variable charge for the amount of black-bag waste – and that fixed charge also obviously covers food waste as well. It is just what is sensible in terms of efficiency of collection of money. That is the point I tried to make yesterday, it is efficiency in the collection of money.

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Deputy Roffey: I think his arguments yesterday were entirely logical. I am not sure at all that they are consistent, that was a very good effort but I do not think it really got across the line.

Sir, I think it is interesting: how far do we take this user charges thing? I do not want to know about the gain but, if user charges is right, why do we have some *incredibly* valuable bits of real estate down on The Front, which a relatively small percentage of the Island use for long-term parking, and yet we all shovel the money in to actually maintain them and create them and the lost opportunity costs for using them for something else? We do not do user charging then.

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So I am wondering whether P&R can tell us whether they are going to be consistent. Because I will tell you what: if we did the use the charging for that, that could cover the subsidy for the bus service and you would no longer need it coming out of General Revenue; you would free up several million pounds to go for things like Health spending and I hope spending on the shameful lack of drug funding that we have in the Island. (**A Member:** Hear, hear.) But these are difficult choices and this Assembly is not good at difficult choices.

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Sir, I personally have to say I am stunned, as a relatively old man, to find out that the technology is there to actually do this and to do this in a cost-effective and easy way. But being so digitally ignorant I have to accept the arguments from those who say that there is an efficient way. I mean, I would not take it blindly but as they are asking for a trial and an experiment to prove that it actually works I think I have to go with that. I am fascinated to know exactly how it is going to work.

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But I would say two things at the beginning, and a lot has been mentioned about Mrs Le Page from Torteval. What is probably not known in this Assembly is that every Tuesday night Mr Le Page goes down to the Imp to play euchre. On those Tuesday nights I go out to Torteval and I have a liaison with Mrs Le Page. (*Laughter*) Members of this Assembly have no right to know that, and I do not want them getting to know it through this system of charging. I do not want to be logged where I go, where I go and to vanish that I am totally with Deputy Inder. (**A Member:** Hear, hear.) So only if it can be shown that it is completely blind to where and it only picks up how far that I can even ... If that is not going to be possible, then tell me now and I will vote against it now because I do not go with that sort of *Big Brother*.

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The second point comes back to the Bentley against the Micra car and I do not think simply charging per thousand miles or per hundred miles at a flat rate is remotely fair or sensible. I think that there needs to be a number of bands where bigger, perhaps wider, because actually width is the main issue we are facing on our roads now. I do not agree with Deputy Inder that social engineering is a bad thing, I think sometimes there has to be a little bit of it, it is why we tax smoking and drinking and not milk and bread. So I have no problem with trying to encourage – not stopping people, they can have big clunkers if they want to – but encouraging people to consider cars more suitable for the Island's roads.

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Sir, again I would lay down a marker that when this comes back unless there is differential charging between small cars, and maybe very small cars being exempt, but certainly a differential in payment between small cars and large cars, then I cannot go with it.

935 I think I *am* going to vote against Proposition 3. If I had been here yesterday, I missed the vote on the Inder amendment, I would have voted against it because I agree with P&R there is very little point when somebody has done a task come to a conclusion to say go and reconsider this without fresh evidence. That would have been pointless. Well, P&R will not be here for ever, none of us will be here for ever, we do not know the make-up of the States; and Deputy Dorey is of course quite right, whenever we say we are not going to do it today, it does not actually mean
940 that it cannot be done. No Assembly can bind its successor, but I actually think there might be a role for an annualised motor tax.

A lot has been mentioned of taxis for instances – not taxes that we pay, taxis that we get into to go out. Now, when we are trying to change behaviour people mention that a flat rate encourages people to use that vehicle as much as possible, as opposed to a distance rate which
945 has the opposite effect. Now we are short of taxis as I understand, we want them to be used as heavily as they possible can in order to provide a service, so maybe in that particular case – and it would be fairly sizeable – a flat annual rate of motor tax for a taxi would have exactly the right output of – I give way to Deputy Inder.

950 **Deputy Inder:** It is a point of correction, sir.

We are not short of taxis and licences but what we are actually short of is drivers. There is a distinct difference. It is not the taxis that we are short of.

Deputy Roffey: Okay, I take that point. Nevertheless, there is no doubt that taxis – or more
955 accurately, those of us that use them, have been the people paying a higher price for putting everything on petrol and getting rid of motor tax some years ago, because they are one of the highest users of fuel and therefore their cost base has gone up and that has been passed on. I do think if we are interested in tourism and if we are interested in people who are not able to get about – not everybody can use the bus service, it is not convenient for everybody – then I do think
960 we need to consider that sort of thing.

Sir, what I hope today is that we will not balk at this, we will not vote all of this down and say let's just take a general look at taxation.

The increase in electric vehicles over the last year in Guernsey has been 76% – a 76% increase in the number of pure EVs. Now, if that rate of percentage increase continued – it will not, but if it
965 did – every vehicle in Guernsey would be an EV by the time we got to the 2028 Election in nine years' time. I do not expect that to happen but we are in the early stages of an explosion, and that is where Deputy Brouard is right it has been gradual. I will tell you what, when electric lighting came out ... It was quite gradual at first, the changeover from gas lighting to electric lighting, and then suddenly it hit a tipping point and people were looking around and saying 'How's your electric light? Oh it's much more convenient than gas lighting!' And people started swapping over.
970 Given that the cost is going to come down and the range is going to increase ... And of course in Guernsey we are not seeing the downturn they have seen in the UK, because we have not had the withdrawal of subsidies, because they were never there, and because range is really not an issue for the vast majority of people.

975 So I think just look, open your eyes and see the number of EVs that are now appearing all around us. My next car will be one. I agree with those that say that actually scrapping your old car to get one is not a sensible thing, so my old i10 will be driven into the road before I do that. But I think this is going to become commonplace.

980 We do not have, Deputy Brouard, very much time; we may have a year or two but working through the practicalities of this is probably going to take a year or two. So as somebody who has been pushing for several years now for action on this, for eyes to be opened and realisation, I welcome this. I am going to vote for all the Propositions, except 3, because I think that ought to

be kept on the table. And I think if E&I and P&R are confident they can do this, let's take them at their word and give them a chance to do it.

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A Member: Hear, hear.

The Bailiff: Deputy Trott.

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Deputy Trott: Thank you, sir.

A typically thorough and impressive speech from Deputy Roffey; it is nice to see him, sir. (**A Member:** Hear, hear.)

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I am going to start with his fear that his indiscretions, not that I imagine he has any in reality, or the indiscretions of others could somehow or other be snooped on following the introduction of some form of mileage-tracking system. I would remind him and others that we now have something called GDPR in place and this data protection umbrella that we have is very strict about how this sort of data is used, and should offer everyone the comfort that they need that the protection would be in place irrespective of anything we chose to do in this Assembly. They are after all an independent monitoring organisation.

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He talked about social engineering briefly, and whilst this is not directly associated with the policy letter in front of us I shall be very brief, and it is just to make reference to the Singapore model. The Singapore economy is in fantastic shape, it has been the stellar performer over the last 40 years and there are a number of reasons for that. One is that the Singaporeans ask for something back when they provide a substantial education to their most able and that is that for the first eight years of their working lives post-grad they ask that they provide the service to the public sector, in other words the most able in Singapore are recruited into the public service for eight years and then go out and contribute extensively to the commercial sector thereafter. It is one of the many reasons why the Singapore economy is as impressive as it is.

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Deputy Roffey also talked about hypothecating taxes and the general thrust of hypothecation is along these lines, anything raised from the roads should go on the roads. Well, there is a very good reason why we do not hypothecate and that is that you could see under a hypothecated system some services more than adequately funded and other services starved of resources, simply by virtue of the fact that hypothecation of taxes is not as easy for certain sectors of the public sector.

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The cost of motoring: others have mentioned this, but I would like to go on record in making the point that the States' Report does well, and that is that whilst we have relatively high fuel costs in Guernsey – for instance, they are about 10% higher than they are on an exchange-rate adjusted basis than France – the cost of ownership and the cost of car usage in Guernsey is extremely low. The States' Report makes the point that an average-sized car over a five-year period would result in the average costs being nearly 50% lower than they would be in Jersey – so Jersey's costs over that period for that type of car would be 50% higher – and nearly three times higher in the United Kingdom. So whether we believe it or not the facts speak for themselves and the cost of motoring here is relatively low.

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Now, distance charging, sir, is covered and others have talked about the trials elsewhere, but I am going to quote directly from the policy letter because it says in paragraph 1.13 on page 21 that:

Whilst distance charging has traditionally relied on a system of toll booths, advances in vehicle tracking technology have created the opportunity to accurately charge drivers on the basis of per mile travelled by using in-car technology.

And importantly:

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Whilst the concept has not yet had widespread implementation, there are a number of jurisdictions making use of distance charging or considering its introduction.

And that includes Germany.

1035 Now Germany, Switzerland and Austria: do you know, more components of cars produced in Germany are actually manufactured in Switzerland than in Germany itself, and we all know that Germany is one of the largest manufacturers of cars again in the world, with the likes of Mercedes and Audi and so on. If anyone can perfect this distance-charging technology swiftly it will be the Germans. They have already had success implementing distance-based fees on heavy goods vehicles. And there have been multiple passenger vehicle trials carried out in the United States, including Oregon, where the tests have been impressive.

1040 So, sir, it is all there, and I do hope that Members will feel able to support all of the proposals in, effectively, the joint States' Report because the input from Environment & Infrastructure has been considerable throughout and I am sure all on P&R thank them for their efforts.

Thank you, sir.

1045 **The Bailiff:** Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

1050 Just to follow on firstly from the point that Deputy Roffey made about waste, because that is actually an interesting comparison. When we had an annual charge for waste, a lot more black-bag waste was produced. When we then introduced a per bag charge, a usage charge, it actually reduced the usage, so that when people paid directly and could see a direct relationship between usage and charging it had an effect – which is exactly why we went to a fuel charge and we want to introduce distance charging.

1055 By the way, the original proposals were to introduce a 50p charge for the blue and clear bags and I, among others, when you saw the costs of actually collection of that and also the effect it would have on discouraging people using the blue and clear bags, that is why we went for the fixed charge because it was a better way of encouraging people to recycle rather than charging them per blue or clear bag.

1060 My view on this is that I support distance charging, but I do not support an annual charge. So I disagree with the outcome of the Working Party, but I fully support the policy letter as is put in front of us. (**A Member:** Hear, hear.) I urge Members to vote consistently with the decision they made yesterday to vote against the Inder amendment and vote for Proposition 3.

1065 There are many fixed costs of motoring which include depreciation, insurance, servicing and maintenance, interest on borrowed capital and in future there will be a vehicle safety check. Most of these, not the vehicle safety check, will be significantly more than any annual charge if, for example, say, as has been mentioned it was £100 a year. So I do not believe it will have any incentive to not own a car and I made a comparison with waste.

1070 I add to what I said yesterday that the cost of the annual charge is not just the collection of the charge it is the cost of policing it, and of course avoidance. Perhaps Members do not remember there were a lot of people who avoided it and some deliberately, when we had the tax disc in the past; some forgot. I even remember at that time one States' Member was actually in Court for not paying his annual charge.

Deputy Green said we should not put all our eggs in one basket, but that is exactly what we are doing now and that is why we went away from having to make it more efficient.

1075 Deputy Langlois, two taxes will be more expensive than just one tax.

1080 On distance charging there is evidence that the system will work. In the Report on page 21 it refers to Oregon, and if you look at MyOreGo which is referred to on page 21 and see the system in Oregon I believe it will be similar to the system that would work in Guernsey. So there is a working system which is there and we have used Oregon for another debate in this Assembly when we made some comparisons to it. So I again refer to them.

Deputy Smithies talked about insurance but that is just taxing ownership again and not the use of a vehicle. I do not believe say adding £400 to an insurance policy will have any benefit, it will

just result in people not paying their insurance more than they do now, which is not beneficial to the community.

1085 I know it has been referred to already, but Deputy Ferbrache talked about a root-and-branch review of the tax system. People always want to have a review, that is what everybody always says, 'Let's not make a decision; let's have a review'. He mentioned Deputy Langlois, but it was a T&R and SSD joint review. I did not agree with a lot of the outcome but I do not think anybody can criticise them for the level of detail they did. It was a very extensive report on each possible tax and it looked at the effect on each part of the community that would have.

1090 We read that review and we had a long debate which went over more than one session, we had to come back for a second session. It was a very comprehensive report, a very comprehensive review and most of them were rejected. That is the outcome of that. So there is no point just revisiting it because most of those tax changes were not acceptable to the Assembly, and I do not believe that there would be a very different outcome from the Assembly today.

1095 We are where we are in terms of taxing the motorist and I think we have to be responsible in fact in relation to the money that we raise from it. That is why I will support 4C, although it is probably the least popular, because we should maintain the real value income on that. If we are going to deliver the social services that we want, we have to collect the money.

1100 Members can say, 'I don't want to charge the motorist', but if we want to have our Income Support System we cannot do that without collecting the money and we have to collect it from some means. We have looked at other taxes and the Assembly has rejected those other taxes so the responsible way, I believe, is to not increase it in real terms but to maintain the real value of taxes for the motorist.

1105 People have talked about distance charging and knowing where people are. But many commercial vehicles in this Island now have vehicle tracking. It is the norm for most commercial vehicles, so that businesses know where their vehicles are. As Deputy Inder mentioned there are number plate recognition systems used for congestion charging. When I went on holiday to Norway they have extensive tolls on bridges and tunnels and they have a number plate recognition system, and other countries in Scandinavia and other places have a toll-charging system based on number plate recognition systems.

1110 It is normal in most countries to have cameras on major roads where they can monitor those major roads; and monitor congestion; and monitor where there are accidents; and monitor whether action needs to be taken. So we live in a world where we are seen and data is collected on us.

1115 People mentioned about distances: well, if you sell a car one of the pieces of information that you now have to fill in is the mileage of your vehicle. So there are already records kept against that vehicle – not necessarily the person – and the mileage it has done.

1120 As has been said, if we have the correct protocols and we live in the world of data protection we can ensure that that data is only accessible to who needs to access it. We do that with phone data and we do that with many other pieces of data. I am sure, as I understand, Deputy de Sausmarez will go into that in more detail.

1125 So I urge Members to vote for all the Propositions and make the difficult decision of voting for 4C so that we have enough money to pay for the services that we offer our community and the benefits that we offer our community; and especially as people have said, it is the least well-off in our community. Because that is how we do it, by collecting taxes and making the difficult decisions. So please support the policy letter in full by voting for 4C.

Thank you.

1130 **The Bailiff:** Deputy Lester Queripel has stood quite a number of times so I will call him next.

Deputy Lester Queripel: Sir, in his opening speech Deputy St Pier made an extremely valid and pertinent point. He said one of our options is to replace this income stream with another income stream, or words to that effect.

1135 So I want to focus on that for a few moments, because I am all in favour of that, I would much rather do that than keep on adding costs to the motorist; because if we keep on adding costs to the motorist we add costs to everyone else. It is fairly obvious in my saying that, sir, so I apologise to colleagues for stating the obvious.

1140 I will start with deliveries and distribution costs. Any additional costs that are incurred by companies who provide those services will be passed on to the consumer and we have hundreds of deliveries that take place in Guernsey every day. In fact any company or organisation that incurs additional transportation costs will have no choice but to pass that cost on to the customer, the consumer or the client. And not just companies who provide delivery and distribution services. What about the cost of an ambulance for a start? Taxi fares and bus fares will surely increase; the cost of hiring a vehicle will have to increase; the cost of someone learning to drive with a driving school will have to increase. What about the cost to charities who operate their own vehicles?

1145 Deputy Gollop touched on this yesterday when he spoke. There are dozens of charities here in the Island who operate their own vehicles: charities like Meals on Wheels, the Russels Day Centre, Les Bourgs Hospice, Jubilee House, the Ron Short Centre, Age Concern, to name just a few of our charities, all of whom already struggle to survive. Won't charities which have to cover the cost of running their own vehicles find themselves in a position where they are hamstrung by additional costs?

I give way to Deputy de Sausmarez, sir.

1155 **Deputy de Sausmarez:** Its pick and mix moment. I am grateful to Deputy Queripel for giving way.

1160 This is something that has cropped up and I think it is an essential misunderstanding. What is being proposed is not an additional cost. All the services, that Deputy Lester Queripel is quite right to highlight, are already paying fuel duty. Any alternative system is not going to add to the overall quantum of that so there is every possibility that those rates could remain broadly similar for those vehicles or indeed, in some circumstances, could be weighted or banded to actually give them a greater advantage than the duty they are currently paying.

1165 **Deputy Lester Queripel:** Sir, Deputy de Sausmarez says it is a misunderstanding. As far as I am concerned it is not and I will go on to explain why later on in my speech.

1170 Sir, let's take Age Concern, for example. Most of my colleagues know I have been heavily involved with Age Concern for seven years. We have a fleet of six minibuses. Those minibuses are absolutely vital to our members who need to be transported all over the Island for four and sometimes five days a week. How will this affect charities like us and members of charities who rely on charities' vehicles to transport them around the Island?

1175 Now getting on to Deputy St Pier's point regarding realising alternative incomes – and this may give a bit of food for thought for Deputy Roffey who touched on this earlier I am not in favour and will never be in favour of GST. Now, it does not have to all come from one major source, these alternative incomes could come from an accumulation of smaller sources. For example – and we should have had this in place years ago – there is no reason why we cannot have a permit system in place for the overseas white van man. My brother, Deputy Laurie Queripel, and I worked on this for years and our suggestion has always fallen on deaf ears.

1180 What about a cycle tax? We have thousands of cyclists here in Guernsey, none of whom pay a cycle tax. Why not? They use the roads. I am a cyclist I would gladly pay a cycle tax. Now the argument against that tax over the years whenever I have suggested it has been that many of those cyclists own cars, so they already pay a tax; or if they do not own a car that they always contribute to the other income tax contributions. But none of that makes any sense to me, sir, never has done, totally illogical in my view. The fact of the matter is we have a mode of transport on our roads for which the user gets to use on our roads without having to pay a specific tax.

1185 There are many other examples, sir, about these alternative income streams. I will just go on to cite a couple more. What about setting up a Victor Hugo Centre, for example? That would attract

a lot of visitors and bring in a lot of money; and I empathise with Deputy Parkinson and I resonate with his disappointment regarding the losing of number 2 Cornet Street, but seeing as the HMV building is still vacant maybe he could pursue that one.

1190 What about renovating more of our German bunkers? (**A Member:** Hear, hear.) Tourists love finding out about the history and the heritage of places like Guernsey. Why do we not set up an arts centre and major art gallery – ? (*Interjections*)

The Bailiff: You are straying beyond the subject of motor taxation.

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Deputy Lester Queripel: I beg to differ, sir, because these are all in relation to what Deputy St Pier said about realising alternative income streams, sir.

The Bailiff: You have made the point that the States could investigate raising revenue, we do not need to go through every possible example of every instance where that might be done. That would be straying beyond the subject of the debate.

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Deputy Lester Queripel: Sir, the next line of my speech was, there are so many things we could and should be doing to increase our income, but having said all that –

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The Bailiff: You must have read my mind.

Deputy Lester Queripel: I will move on, sir. (*Laughter*)

1210 I just want to mention one more thing if you will just allow me to, sir, (**Several Members:** Ooh!) because this could be a major income stream, sir. There is a glimmer of hope on the horizon, we now have companies here on the Island who have recently become involved in producing medicinal cannabis. (**A Member:** Oh!) Now, that could be a major source of income for us, via Income Tax contributions and the money being kept here on the Island. That remains to be seen; but that is a glimmer.

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Sir, as I said there are several more I could have cited but the reason I am not standing in the next election is because I have been bashing my head against a brick wall for seven years, because every time I come up with something like this it falls on deaf ears, and one more year will be more than enough for me to deal with.

1220 Getting back to the issue of increasing costs, I am not convinced that these proposed measures will not increase costs. That is my view, sir; I am entitled to it, as we all are.

Increases in the cost of everything are taking place all the time, so why would introducing a completely new system be any different?

1225 Sir, I am not in favour of forcing people out of their cars, or forcing them to comply with a different charging system. I think we should put a lot more effort into establishing the other income streams that Deputy St Pier referred to, to replace or at least partially replace this one.

So, in summary, in closing, I am not in favour of introducing GST. I did not have the opportunity mention this earlier but 20 should mean 20; we still have Zero-10 in place I believe – why, when we can reconfigure that?

1230 I am not convinced there will not be additional costs to this. I am not in favour of continually hammering the ordinary motorist. We should be realising additional income from those who can afford to pay it and we should be putting a lot more focus on diversifying our economy to establish new income streams. I have got a list as long as my arm, sir, perhaps I could send them around to Members – (*Interjection*) Not my arm, sir, the list. (*Laughter*) Or maybe I should send my arm, sir, because then I would not be able to write speeches any more. (*Laughter*)

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Sir, for all those reasons I will be voting against the Propositions, except Proposition 4; and I ask that we have a recorded vote come the time to vote, sir.

Thank you.

The Bailiff: Deputy Fallaize.

1240 **Deputy Fallaize:** Thank you, sir.

There are one or two Deputies, and Deputy Lester Queripel is the latest, who have said that there needs to be some sort of more general review of taxation. Deputy Roffey said there are limited options available for generating additional taxation. None of the ideas suggested by Deputy Lester Queripel would raise anything like the sums of money which are being raised from motoring taxes at the present time.

1245 But there are some other options. We could tax consumption more generally; we could tax income more; we could tax property ownership more; we could tax company profits more. So all I am saying is I think there are other options (**A Member:** Hear, hear.) if we wanted to replace motoring taxes or allow the current motoring taxes to wither on the vine, as it were, and introduce new and different forms of taxation.

1250 But I agree with Deputy Roffey that that really is not an argument for today's debate, because it is quite easy to stand here and say there should be a general review of taxation. I mean, the fact is that we have been in office for three years, there have been lots of opportunities to propose general reviews of taxation and to carry them out, and those opportunities have largely not been taken beyond the work that the Policy & Resources Committee has already done.

1255 So I think that to say these proposals should be rejected because there might be other ways of raising revenue for the exchequer is not just to kick the can down the road, but is to avoid potentially making a difficult decision without really proposing any material alternative.

I do not really understand some of the angst that has been expressed in relation to Proposition 1. I do understand the concerns around protection of privacy, how much it may cost people who are of relatively few means, but surely that is the whole purpose of carrying out a review.

1260 I know it says in the Proposition to agree 'in principle' that a distance-charging mechanism should be introduced. I never understand why Committees ever put Propositions before the States asking the States to agree anything 'in principle', because whether or not those words 'in principle' exist presumably what would happen if this Proposition is approved is there would be a policy letter that would come back setting out the details of how any such mechanism could be introduced. And if the States vote in favour of that there would then be legislation that would have to come back to the States to put the policy into legislation before the actual charge could be introduced. So I think the words 'in principle' in this Proposition are completely superfluous and should be disregarded.

1270 On that basis, I do not really understand the angst about it. If and when the subsequent policy letter comes back setting out the detail the States consider that the charging mechanism would be too intrusive, or could not reasonably be introduced, or that the technology is insufficiently reliable then presumably the States would just vote against it at that time. But I cannot see why those are reasons not to investigate it to begin with.

1275 We know the underlying policy problem is that we have chosen to tax motoring on the basis of fuel duty, not a decision I am particularly enthusiastic about but that is what was decided, that is where we are. And because of increasing fuel efficiency of motor vehicles and the gradual – which is likely to become accelerated – shift to electric vehicles, the income from fuel duty is going down, and the decrease in the collection of fuel duty is likely to accelerate in the next few years. So that is the policy problem. Unless we are prepared to say we will forego several million pounds of income to the exchequer then we are going to have to find a way of replacing that income. Distance charging is a reasonable enough option that it warrants investigation and, as I say, I do not understand why the States would vote against Proposition 1.

1280 But equally I do not really understand why the Policy & Resources Committee has put Proposition 3 before the States. If there was an amendment being laid to require the Policy & Resources Committee to investigate an annual charge and the Policy & Resources Committee was saying, 'No, we do not want to', I could sort of understand that position. But actually Proposition 3, if it is approved in its current form, does not take the States any further forward at all. To agree

1290 not to do something is a completely unnecessary course of action when no-one is asking for it to be done.

On the basis that I am prepared to vote for Proposition 1, the concept of distance charging, because I think it might be an answer to the policy problem that exists, I think that I want to keep the possible options as broad as possible and to keep the possibility open of an annual charge, based on ownership of vehicles. I think it was Deputy Dorey who said 'Do not vote against Proposition 3 unless you would ever be prepared to introduce an annual charge'.

I would be prepared to introduce – (*Interjection*) well, prepared at least to consider introducing an annual charge, and so I want to vote against Proposition 3. I would probably have voted for Deputy Inder's amendment actually yesterday. I went outside the Chamber 10 minutes before we went to the vote and because I did not have my tag with me I could not get back in! I was out there waving to the Bailiff trying to get his attention but he did not see me, as normal (*Interjections and laughter*) and so unfortunately I did not – although my vote would have made no difference, it would have just made the vote tied and the amendment would still have lost. But I am prepared to consider an annual charge in any event so I want to vote against Proposition 3.

Now, what is I think missing from this policy letter and has been missing from this debate so far is the question: what are we actually trying to achieve? Well, okay the first thing we are trying to achieve is not to see the income from fuel duty diminish materially without replacing it with an alternative form of income. I accept that is the financial case. But is that the only policy objective here, because there is the question if we are going to raise taxation from motoring at all there are different ways in which it could be raised and there are different policy objectives that could be delivered through the different means of raising it.

I mean, if the only issue here is replacing £20 million of income then it is quite possible that the kind of concept set out in Proposition 1 is not going to be the best way. It is quite possible that some kind of annual flat charge on vehicle ownership would probably be the most administratively efficient way of replacing the income. But I do not think that raising the income is the only policy consideration here, and this is where I want to go back to something I mentioned briefly yesterday, which is charging vehicles based on width.

If we are going to levy motoring taxes at all it seems to me that given our circumstances in Guernsey, as a relatively small Island with a network of small roads, and lots of places where cars are circulating in quite heavily residential areas, the two types of motoring that we might want to discourage most are motoring with more heavily polluting vehicles – so, charging based on emissions; and motoring in vehicles which are very large or very wide for our network of narrow roads. It seems to me that just on a purely logical basis, if we are going to levy taxes on motoring at all, that levying them on the basis of those who pollute more, and on the basis of those who choose to drive on our network of narrow roads in very wide vehicles, might be quite a sensible way of doing it.

Now, the best way of introducing those sorts of motoring taxes, not instead of fuel duty but to replace the loss of income from fuel duty would be through an annual charge. It would not be based on weight as motor tax, road tax, used to be. It would not be some kind of flat charge based on ownership of vehicles but it would be a form of annual charge based on ownership of vehicles but in relation to the emissions of the vehicle and the width of the vehicle. To me, that would seem not only to raise revenue but it would also deliver other policy objectives and create the right kinds of incentives when people are making choices about vehicle purchase.

On that basis I really do not think that we should be voting in favour of Proposition 3. The Policy & Resources Committee is trying to lead us – after some encouragement from Deputies Roffey and Kuttelwascher initially – through what is actually quite a difficult problem: that we have fuel duty in place, it is raising significant sums of money annually but the income is diminishing and we have to try and find a way around that. It is not a very easy policy conundrum, so it is going to take some time and this is one step along that journey. I do not think we should be closing off our options as we try and work our way through that quite difficult journey.

So I will vote in favour of Proposition 1 and 2; I will vote against Proposition 3.

In relation to Proposition 4 – which is essentially what to do with fuel duty in the meantime – I think 4A, freezing the rate of Excise Duty in the absence of having put in place any replacement policy, is a very unwise thing to do, that is just going to mean the acceleration in the loss of income is greater than it needs to be. (**A Member:** It looks good.)

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I think that 4C, which Deputy Dorey asked the States to vote for, is equally unsatisfactory because raising fuel duty to the point where there is no loss of income which requires an above-inflation rise, is sort of making a policy assumption that that is what we are going to want to do, and actually this policy letter is based on the idea that raising motoring taxes through fuel duty is not a sustainable or appropriate way to do it. So I do not think 4C is any better than 4A, although it comes at it from opposite sides of the argument.

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It seems to me that 4B is the appropriate holding position, where we say we recognise that we have fuel duty in place at the moment and we will increase it in line with inflation, but it is not the appropriate sustainable means of raising motoring taxes in the future.

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So I will vote against 4A and I will vote in favour of Proposition 4B.

Thank you, sir.

The Bailiff: Deputy Gollop.

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Deputy Gollop: Sir.

Hopefully I will be a bit more (*Interjection*) cogent than I was yesterday, because I think I was trying yesterday to put across a perspective and I think the debate so far today has made things a little bit clearer. Actually, the very close vote that Deputy Inder's very nearly successful amendment got, was not in any way changed by the fact that we hear maybe one Member was not sure about which way to vote and another one could not get through the door because of the security system! (*Interjection*)

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But moving on from that, the problem is that we have a situation whereby we are talking about different things at the same time. Now, I got renowned in the previous Assembly with not too much popularity emanating to me, as talking about motoring being the 'cash cow'. That was slightly quoted out of context because I meant it in two senses. The first sense is that it comes from the management consultancy speak of the Boston Consulting Group, who identify products during their life span. You had everything from 'shooting stars', that were something new that were gradually increasing like, for example, e-commerce, down to dogs – and the dogs, I am afraid for dog lovers, were products that had long since really lost their sales drive and were struggling, perhaps like deckchairs on beaches, or something like that. A 'cash cow' was a brand that a company had that would always be selling, a bit like Christmas lights each year, because you know each year some people buy Christmas lights. A cash cow is all about guaranteeing income.

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This brings me to the second point that if it is true what Deputy Paint said yesterday that most traditional Guernsey people love their cars, it is a sense of freedom, it is a sense of identity; and I think from the social media and the representations we get there are certainly many thousands of people who might not go as far as 'enough is enough' but they nevertheless share that outlook. Then, actually, we can raise the cost of motoring and we still get money. It is a cash cow because it delivers.

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We know actually that smoking rightly or wrongly – probably rightly, if Deputy Soulsby gets her way – is declining as a pastime, because people are taking seriously the health and lifestyle warnings and are quitting. But of course the downside of that is we have seen a cumulative reduction over the years on income from tobacco; so hopefully we will not have an annual smoking charge each year as well, but that is another matter.

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So the point is there is a certain inelasticity about charging for motoring. I think governments, cynically, are aware of that because we heard from Deputy de Sausmarez and others that most governments around the world have a mixture of taxation targeting motoring, partly because of certainty of income.

1395 Now, I did find myself in agreement actually and it is a speech I wanted to make – and no
doubt he will say I do not need to make it ever again – that Deputy Ferbrache made. But Deputy
1400 Ferbrache from another level could be accused of what he was, according to Deputy St Pier,
'grating his teeth about' yesterday, kicking the can down the road. Because he was saying what we
actually need is a much broader, holistic look at taxation. I have been saying that for some time
and I do not fully understand the argument we hear that if a previous Assembly looked at it and
came up with recommendations that were either accepted or rejected, that we cannot look at it
again – because each Assembly is a different mixture of people who each stood on a different
manifesto; and, more to the point, times change.

1405 One of the reasons, perhaps I kicked myself with the kicking the can down the road, but I
meant it – and not just a petrol can either – that things are changing. We are not only in the last
year of this Assembly facing a new electoral system and a new Assembly with maybe different
plans of governance, but more to the point we are facing the big unknown of Brexit, with or
without a deal; we are seeing changes in commodity prices; we cannot rule out the additional
tension in the Middle East and the Persian Gulf and so on. So we actually do not necessarily know
1410 what the price of fuel will be and the add-on, knock-on costs to the economy. That is part of the
wider context.

I would entirely agree with speakers from Deputy Roffey I think to Deputy Fallaize, who said it
is not entirely clear what we are debating today. Because are we debating an environmental
strategy of gradual behavioural change, as Deputy Merrett put? Or are we debating a better way
of raising revenue, perhaps additional revenue to do all the artistic things Deputy Lester Queripel
1415 would like to do and the healthy things, the drugs and everything else?

Actually, it is probably a mixture of both. But I have always got confused in the way the
Environment Department and its predecessors have been assigned this duty of raising taxation on
the motorist when it is actually really a part of our fiscal pattern.

1420 Do I want to shut the door on distance tax? I am very tempted to, I must admit, but I will
perhaps follow Deputy Trott's sage advice and do exactly the kind of thing that he warned
Members against on the amendment yesterday – which was a winning argument obviously –
which was: do not support something that you are not going to support when it comes back.
Actually, I am not very committed to voting when it comes back with all the fullest distance
charging.

1425 I think the original report was closer to the mark in saying we need a mixture of taxations and
charges. I think that we also have to consider the overall taxation mix and look again at the
arguments of how we can actually reduce taxes for middle Guernsey rather than necessarily
increase them.

1430 As Deputy Roffey pointed out, there is an inevitability of global charges on motoring going up;
and Deputy Tooley said, how are they targeted? Because we heard this morning of more depth
and more detail about maybe the person driving the huge Maserati or 4x4 from Torteval to Town
would pay a higher distance charge than the person driving the all-electric battery car or nice little
Mini that is very economical. But we do not know that for certain.

1435 So if I do support Proposition 1, and I will definitely vote against Proposition 3, then it is on a
basis that if we are going to move forward with ecological environmental taxes and consumption
taxes I still think congestion charge is a better runner than a distance charge. A distance charge is
a scatter-gun policy that can target maybe people we do not wish to target – those with families,
those who are working; and even taxis providers who, after all, provide a public transport service
for people, including those with disabilities. We know that the States has invested heavily in
1440 supporting specialist cabs and operators in that respect and so the last thing I want to do is to
make my own taxi fares even more expensive. I cannot see how that helps tourism or any other
element of our society.

1445 So I am not particularly happy with the options we have because I think we need a broader
debate on taxation. We do not want to sign ourselves up to an unfair and unrepresentative
environmental tax based on distance when there are better alternatives and options available. But

I would also say that if we are serious about whether it is an emergency or crisis or anything else to do with climate change, we do have to adapt policies and strategies and fiscal ideas to that end. Maybe one way of doing that might be to increase taxes on consumption where appropriate, targeted generally at those who are seen to be wealthier; but consider at the same time to reduce income tax especially for those less well-off. That is the kind of conversation we should be having that supports middle Guernsey and the less well-off, as well as higher Guernsey. Too often environmental politics – and I say this as a Green member – get a bad name because it is seen as the politics of the more innovative or even the more wealthy in society. We need to overcome that by listening to the public and not implementing unfair solutions.

To my mind the original report from the working party was more measured than the Policy & Resources proposals before us today. But I will not be placing my sursis because I think effectively the votes for the different parts of it will be equivalent to a sursis.

The Bailiff: Deputy Yerby.

Deputy Yerby: Sir, I am doing the classic politician thing and I am doing it right at the end of a long debate so I apologise in advance.

I thought about bringing an amendment to Proposition 1 that would say that we would accept some kind of distance charge only if the intrusions into privacy, which Deputy Roffey outlined so well, were completely ruled out at this stage. I did not do that, I think I just ran out of juice, and I had better have a better excuse than that; but because I did not do that I want to place on record that it is vital that any distance charge that is brought back to this, or a future Assembly, does completely rule out the possibility of those intrusions into privacy. (**A Member:** Hear, hear.)

I believe that *can* be done: I hope that it *will* be done. Yet even then I am voting for it with something of a heavy heart, because I do not worry so much about the good intentions of those who are going to introduce this and its use for its proper purpose in this context, but scope creep in the future and its potential misuse by other government agencies.

I think the civil liberties argument has to be made by those of us who are 'in principle' in support of distance charging as well as those who have said 'No, never', in order to make sure that it is heard and taken on board and reflected in the proposals that come back.

Sir, I also just want to mention that I will be voting with Deputy Dorey on Proposition 4C. I think that there will be enough overlap between the people who are currently paying Excise Duty on motor fuel and the people who will be paying a distance charge in the future, that it would be a mistake to shrink the size of the envelope in terms of the tax that we are taking from people only then to have to try and expand it again in future. I think we would be wise to keep the envelope as far open as we can at this stage so that we are not then upsetting people by introducing something new on top of it. I think that if we can keep it open now let's do that.

Consistent with my voting on Deputy Inder's amendment yesterday I will be voting against Proposition 3. I think Deputy Trott was absolutely right to point out the difference between the cost of motoring in Guernsey and the cost of motoring elsewhere and, if anything, we need to be pushing a lot harder on this area.

Just coming back finally on the point that Deputy Ferbrache made about the need for a wider potentially root-and-branch reconsideration of our tax policies: I think I have pressed for that every year in this Assembly! But what Deputy Ferbrache also said, which subsequent speakers perhaps did not pick up on, was that although we need to be looking at the bigger picture we should recognise that motor tax is always going to be part of that picture, that the Treasury needs the tools that this policy letter offers and that we should not sacrifice the good that we can do now for the sake of the bigger picture later on.

So I think it is worth it and it is essential to vote for the Propositions that we have here, again with the exception of Proposition 3, but that absolutely should not stop us having that conversation about the wider context of fiscal policy in Guernsey; and, if Policy & Resources want

to open that conversation with the rest of us over the summer, I would be very glad to be a part of it.

1500 **The Bailiff:** Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

I am going to start with biggest picture, there are several themes that have come up in this debate and one of the most fundamental focuses for the angst that Deputy Fallaize talks about –
1505 ‘foci’ he said, I have been corrected on my grammar! – is, why tax motoring at all? And I am not going to spend too long on it.

Deputy Gollop and Deputy Merrett have questioned whether this is a fiscal measure or whether it is an environmental measure. Actually I think we need to be completely clear, this is Policy & Resources bringing this, because fuel duty is and always has been a fiscal measure, the
1510 raising of revenue from motoring is a fiscal measure. It is right that it is therefore P&R in the driving seat, if you will pardon the pun, but P&R have in my view wisely worked closely with E&I and others in order to ensure that anything they propose does not run counter to other policies, and I think that is the point.

So it a fiscal measure and it is completely valid in being a fiscal measure, but I think it can work
1515 complementarily to certain environmental objectives and certainly I think none of us would want to see a policy that runs counter to any other States’ policies. So I think it is right, that the approach they have taken in quite sensible.

As many other people have pointed out, and I pointed out yesterday in fact, all jurisdictions do raise revenue from this source and in fact all of them that I am aware of raise a great deal more.
1520 We went over in the debate on the amendment yesterday the various pros and cons about the diversity of mixing those taxes on this sector.

Deputy Dorey, as ever, made some of the strongest arguments against, but actually he did talk this morning about putting all eggs in one basket and of course fuel duty is exactly that, we have
1525 got all our fiscal eggs in the one basket. But moving to another system where we put all our eggs in a different basket potentially raises some similar issues, and so I will be voting against Proposition 3.

However, the one thing I am a little bit concerned about with that point is that I cannot remember who coined this phrase, but it was a very good one, someone once stood up in this Assembly and said, ‘We sacrifice fairness on the altar of simplicity, sometimes’ (*Interjection*)
1530 Deputy Roffey take a bow. Yes, it was a very good observation and I do worry that we run the danger by putting all eggs in one basket and by relying too heavily, or being too desperate to simplify the system we do run the risks of that. It may not be as fair or indeed as effective as a slightly more complex or mixed system may be. I think that is really important point to bear in mind.

I think it is reassuring to note that every other jurisdiction has got a mix of revenue sources in this respect, we really are pretty unique – or certainly in the Channel Islands. I think that Guernsey is pretty unique in having such a singular tax base on motoring.
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As Deputy Yerby most recently has pointed out, I was grateful for her reminder when we talk about any root-and-branch review I think it is a helpful reminder that if that were to be the case I
1540 think one of the most likely outcomes is that certainly when comparing with how other jurisdiction in the world operate, it would become very clear that actually revenues from this particular source are proportionately a great deal lower than they are in other places. So I think if anything I would urge people to be careful what they wish for in that respect.

Another point that has become a little muddled in this debate is this idea – I can understand why people make this assumption – because this is something new and potentially a little bit scary, because people are unclear about how it might work or a little bit unclear about some of the details, there is this assumption that this is an additional tax. I think it is really, really important
1545 to remember that it is not an additional tax, it is a replacement.

1550 So all those very valid things that Deputy Lester Queripel, for a start, mentioned – all those social enterprises that rely on transport, all those activities and all those charities, for example, already pay fuel duty. What we are talking about here is what to replace fuel duty with. We are not talking, in fact we are explicitly talking about *not* raising the overall size of that envelope. So I think it is important to clarify that this is not an additional tax, this is a replacement of one system with another, or several others potentially.

1555 Another of the macro-questions that has come up in debate is: 'Why change behaviour?' Well, actually, because if we are talking about vehicles specifically, some vehicles do have a disproportionately negative effect compared with others. So Deputy Inder talked about his motor bike, Deputy Trott yesterday talked about his Smart car and whatever the other one is, it is too huge for me to see the name of it, but it something that makes tanks look petite. *(Laughter)* So ultimately we are not just talking about environmental impact here, it is something I know, I think people tend to glaze over when I say the phrase 'external costs', so maybe I will rephrase it – quite often it is easier to think about these as social costs.

1560 So vehicle use does have costs to society that go far beyond the costs that you and I as vehicle owners or vehicle users pick up. So obviously we pick up direct costs, we pay our insurance, we pay for fuel, we pay for service and maintenance, and we might pay for parking at the Airport – those sort of direct costs that we as users and people who use that vehicle will pay for.

1565 But there is actually a great spectrum of broader costs that society picks up that are not borne directly by the users of those vehicles. These include obviously the national costs of infrastructure to support a transport network, wear and tear maintenance of that infrastructure, costs of congestion, costs of pollution, costs of climate change.

1570 The health costs are a real, real biggie and they are just phenomenal. I did a pack of fag packet exercise a few years ago to try to work out what the local external costs were and I think the numbers just got too massive for me to really get my head around. But the health costs, there is a very significant cost there. I mean, the cost of obesity, and I know this is not all transport-related but there are impacts – the cost of inactivity, the costs of obesity, pulmonary, cardiac, all sorts of things that are impacted by transport.

1575 But RTCs: there was a study done I think in about 2006, it was a while ago, and it actually calculated the cost of road traffic collisions in the year 2004 and it worked out that the cost of the injuries to people involved in those cost society £10,932,560-odd in 2004's money, so reinflated that it is the region of £16.5 million, just from the cost of road traffic collisions. I am sure Members can well imagine the kinds of costs that contribute to that in terms of emergency services and legal and loss of earning and insurance and all of that kind of stuff.

1580 Speaking of insurance actually, Deputy Smithies raised I think a very valid suggestion of an insurance tax and indeed insurance taxes are one of the five categories that I referred to yesterday. They can be I would suggest, as part of a broader mix, a very useful and very effective tax, and indeed some jurisdictions hypothecate an insurance tax or health care, interestingly. But I would certainly not be supportive of putting all our eggs in an insurance tax basket for precisely the reasons that we have gone over, and certainly I think any flat tax would not be as effective as the kind of bandings and things ... We would have certainly a lot more flexibility if we look at other options.

1590 Sir, I think one of the problems with this policy letter has been that P&R have, quite sensibly, been asking for an agreement 'in principle' on a high level principle of something before they commit the time and effort and resources required to work up detailed proposals. I think they are very sensible in doing that, but I think the tension at the heart of this is the fact that Members are understandably a little bit nervous about committing to something for those who have concerns that it might not even be possible.

1595 So I hope I can help resolve a little bit of that tension by explaining one possible way of how it could work. I will not go into too much technological detail but I do have it if anyone wants to ask for it. I will stress again that this is by no means the only way that this system could work, but I think it might be helpful to reassure some Members who are a little bit unclear about what a

system might look like, to give one possible example of how it might work in addressing some of those really important points about privacy and vehicles getting on and off the Island and things like that.

1605 So one possible way that this could work is based on a telecoms model and it would involve a telecoms partner because the 'device' – it would also involve a small device for each vehicle to be plugged into an ADP port – would be SIM-based, so it does make sense, and this obviously requires a mobile phone network which we have, so that would be fine. How it would work in reality is the SIM would send out signals that would allow the calculation of mileage to be made. I am happy to go into more detail about that but basically any geographic location information
1610 would be kept very separate from the information on mileage that would be sent to the States, it is about separation of information and how you handle that data.

1615 So, basically, what would happen is the SIM would send out co-ordinates and, mileage could be calculated from those co-ordinates. The telecoms partner would hold only the device number or the SIM number of that device and the information that needs to work out mileage. The telecoms partner would have no ability to connect, or to link, or to understand the relationship between any device and any particular vehicle let alone any individual. So all the telecoms partner knows is the SIM number and ultimately the mileage.

1620 The telecoms partner could then send that mileage information to the States who would not have any access to any location information. So those two sets of information could be kept apart. The States would understand they would have a database which had the SIM number and the vehicle number but not the location information. So hopefully I am explaining that the location information can be kept completely separately and very GDPR-compliant from the information that is sent to the States. The States do not ever need to know the whereabouts of any vehicle. In fact – I give way to Deputy Laurie Queripel.

1625 **Deputy Laurie Queripel:** I am most grateful, sir, for Deputy de Sausmarez giving way.

1630 I am really interested in what she is saying, but is she actually saying then that although the information would be kept separate from the information the States need nonetheless that information will still exist. Is that correct?

Deputy de Sausmarez: Yes, correct.

1635 Under this model, in the same that this information exists for everyone who owns a mobile phone, and it is a very important point that Deputy Laurie Queripel raises because I have investigated what happens in telecoms companies because I was interested, if I wanted to find out about these incredible liaisons that are taking place, (*Laughter*) if I worked for a telecoms company, whether I could just dip into a database and check on my spouse's whereabouts at a particular time. Actually even in very, very senior levels of those telecoms companies it is so tight – because of GDPR I think in part – that even very, very senior members of those telecoms organisations cannot access, they do not have the security clearance to access that kind of
1640 information.

1645 So it is absolutely kept under as much of a digital lock and key as you could possibly imagine. It is very, very secure. Obviously as other people have already pointed out the location information that could be interpreted from a mobile phone is potentially much more sensitive and much more detailed and much more focused than the information of a vehicle's whereabouts because vehicles are slightly more constrained in where they can get to – you probably could not pinpoint a car to a bedroom, for example. (**A Member:** Ooh.) (*Laughter*)

1650 So, hopefully, that provides some level ... And again, I stress that this is only possible solution. I am sure there are other ways of doing it, but I am just trying to explain that we know there is at least one potential solution here that would keep any location information away from the States' prying eyes.

In terms of on Island, off Island, Deputy Tooley raised this – as did others, Deputy Paint – it is quite simple. There are a couple of ways this could be done under this model. You could either

1655 have a geofence around the Island – which is not an expensive or difficult thing to do, it is actually very straightforward, you kind of draw a digital circle around Guernsey and any miles that are accrued inside that circle are counted effectively, mileage sent to the States.

I give way to Deputy Merrett.

1660 **Deputy Merrett:** I was just wondering how currently if a visitor arrives on our Island with a full tank of petrol at the moment, how they are actually paying towards our taxes? Clearly they cannot can they, Deputy de Sausmarez? Through you, sir.

Deputy de Sausmarez: Deputy de Merrett is, of course, quite right.

1665 So anyway in terms of local vehicles leaving the Island you could either geofence or if it was a SIM-based solution you could actually just disable the roaming function which would be another way.

1670 Throughout all of this of course, as the policy letter makes clear, there would be an analogue alternative. Deputy Tooley talked about this and I am sure that analogue version would be something that some members of the public would feel more comfortable with than any kind of digital version. Again, it is not rocket science. If you are leaving the Island in a vehicle and you are using an analogue version, or it is an analogue version that is being used, you register the mileage when you leave the Island and then when you get back in. I do not think that is rocket science or terribly difficult to do.

1675 In terms of people coming from off Island here, there are again various options and various considerations. Deputy Merrett is quite right that currently people could bring their vehicles and potentially contribute precisely nothing. Correct. I mean, it would have to take into account whatever objectives we are trying to support or not contradict but certainly if people are coming from off Island for any period of time it would be perfectly possible to have a deposit system, for example. This device is very easily installed and it is something that anyone can do – even me.

1680 So, as you might have a pay-as-you-go phone when you are in a particular jurisdiction, it might be perfectly possible again to have that kind of system. Or it might be that actually if it is short visit, there are various options: it could be an analogue thing; it could be a digital deposit-and-return system; it could be a small flat charge. But I think the important thing to remember as well is that in the event that someone comes from the UK, let's say, and is driving around Guernsey if we have removed fuel duty then our fuel prices will be lower; so again we would not be hitting visitors with an additional cost.

1685 As Deputy Paint pointed out when we or any of us take our vehicles to other jurisdictions we accept the fact that there are different ways of contributing to those places, whether it is by a pollution tax or it is their own fuel duty or their parking charges. So I really do not think it is going to put off hordes of visitors from coming to our shores if we change our system. So hopefully that is the visiting vehicles and vehicles going on and off Island okay.

1690 Frequency of billing: again, I completely agree with Deputy Roffey and whoever else was talking – Deputy Brouard, thank you. At the moment, people who buy fuel tend to buy it maybe fortnightly – I have not bought it for a while, so I do not know – so my personal view is I would like to see at least the option of paying this in smaller increments, perhaps monthly. I give way to Deputy Yerby.

Deputy Yerby: Just to ask whether you would see that including prepayment options?

1700 **Deputy de Sausmarez:** I did not want to get into that level of detail, but that is a really interesting idea and I think it is something that should be taken into consideration.

So, yes, I agree it would be absolutely ideal if people had a choice about frequency of billing, but really we are billed for Utilities in similar ways and presumably all the mechanisms that are usually deployed and all the considerations that are taken into account when billing people for Utilities, could be considered and potentially deployed in such a system.

1705 I think I am going to sit down and then realise all the things that I did not manage to say. I think given the time I will sit down (*Laughter*)

Just one final point, yes, I am going to vote against Proposition 3 for all the reasons outlined in yesterday's debate and again today; and I agree with Deputies Dorey and Yerby on the issue of 4C specifically for the reason that Deputy Yerby outlined.

1710

The Bailiff: No-one else? Deputy St Pier will reply to the debate.

Deputy St Pier: Thank you, sir.

Thank you to everyone who has participated in debate.

1715

Deputy Green was looking for further information as to why Policy & Resources has departed from the recommendation of the Working Group. Of course, Deputy Stephens and I were on the Working Group so we were aligned with those recommendations. But the Policy & Resources Committee, after a fairly robust discussion of the Working Group's paper, were persuaded that we would align behind a single position which was that we would present the Propositions that you see before you.

1720

I think Deputy Stephens and I particularly were persuaded that actually the arguments for having a second tax in this area were unattractive and that was the reason that we swung behind the Propositions which you see before you, and we remain committed to those. But I will return to the implications of the loss of Proposition 3 toward the end of my summing up.

1725

Deputy Ferbrache emphasised that the revenue from this source is absolutely necessary and he is absolutely right to emphasise that, although he appeared to indicate his preference, or his support I should say, for Proposition 4A which of course is to freeze fuel duty. So I am not sure that those positions are entirely consistent.

1730

Deputy de Lisle also indicated that he would be doing as Deputy Ferbrache indicated that he intended to do, to vote against all the Propositions other than 4A. I would say that I am sure it will be a popular position to adopt, and indeed it is perhaps the easiest to adopt, but I think it is an irresponsible one to do, sir, because it fails to present any alternatives whatsoever to address the underlying problem. And that touches on the withering on the vine option that Deputy Fallaize referred to.

1735

If the States by majority adopt the same position as Deputies Ferbrache and de Lisle, and reject all the Propositions other than 4A, then motor fuel duty will wither on the vine. By default, the only alternatives will be the other limited tools in the tool box that Deputy Ferbrache himself identified, and that will present challenges and problems for the States as early as this October when we have the Budget for 2020. So I would discourage that as a route through.

1740

These are difficult decisions which do require the States' support.

Deputy Merrett in her speech was very clear on emphasising the point about this being distance charging and I think, in the interventions to her speech from Deputy Green, seeking to emphasise the point that the methodology distance charging would present would enable a much more progressive system of taxation through distance charging to be levied, than currently through a single flat rate of fuel duty.

1745

Whether it is variable charging by cost of vehicle, which was referenced by Deputy de Sausmarez, even by the age of the owner of the vehicle if you so choose to regard that as a relevant factor, by the vehicle's use, or even the location of the vehicle so you could say actually, if you live out in the country that you have a lower rate. I am not suggesting you would necessarily want to do it, but you have far greater flexibility available to you than currently available.

1750

I think Deputy Green does actually recognise that. He was right to point out that the proposal before him did not go into that level of detail and I conceded that myself in my opening speech. But he is very well aware, sir, that these tools are available in what is before us.

1755

Certainly, in response to Deputy Merrett, I absolutely would envisage that the charges would be recommended by Policy & Resources in the normal way and would be subject to approval by this Assembly, sir, and indeed subject to amendment perhaps by Deputy Merrett or others.

I should say I am particularly grateful to Deputy de Sausmarez for going through in her speech the various different issues in relation to on and off Island and geofencing and so on. I will not repeat those, but I think the question of how frequently this charge could be levied, which was Deputy Roffey's charge, I absolutely would agree that there should and could be a suite of terms that are available. In fact the technology would enable you to have real time charging, so actually each time you start and stop the vehicle that it was debited from your account. *(Interjection)* Again, I am not suggesting that would necessarily be what you would want to do but I think it gives an indication of the flexibility that you could adopt. And I think certainly a monthly account, similar to other utilities, would perhaps be an appropriate model.

I think it probably is necessary to address this question which was raised by a number of Members, sir, that we cannot really consider this unless we have a wholesale review of taxation. It is worth pointing out that there was a substantial piece of work undertaken during the last States, the Personal Tax and Benefits Review, that involved three years of joint working between the Treasury & Resources Department and the Social Security Department of its time leading up to a debate in 2015.

I would encourage all Members who are supportive of a wholesale review of taxation to go and look at that report and indeed follow *Hansard*. It was a very comprehensive debate (**A Member:** Hear, hear.) and Deputy Dorey is right, it would have been absurd in this term for this States to say, 'Well, we are a new States, we want to go away and do all of that work again' – only less than a year, or a little over a year, after the previous States had concluded that very substantial piece of work.

Now, whether the next States chooses to adopt it as one of its priorities is of course a matter for that States, but I think to suggest that this States has failed in some way to undertake that work is flawed based on the amount of work that was undertaken previously. I do not think it is reasonable to expect each new States to pick up each new policy issue and re-examine it right from the beginning.

Sir, Deputy Lester Queripel raised the issue of charities, in particular, and I would emphasise that this methodology would provide an opportunity to charge them less. Age Concern at the moment are paying exactly the same rate of fuel duty for their fuel use as every single other individual, and this would provide an opportunity to actually say we want to identify certain users, charities perhaps being one of them and Age Concern perhaps being one of them, that we would wish to levy at a lower rate.

His alternatives that he started to run through, sir, Deputy Fallaize is right, they simply would not raise the sorts of sums we are talking about. Again, Deputy Lester Queripel was in the last States during that personal tax debate when that substantial body of work was presented. So he will know, by referring back to that, that the options that are available and the sums that are available from them are such that actually there are only a limited number of opportunities.

But just dealing very quickly with some of those that he raised. The taxation of cannabis is something that was flagged in the last Budget and it is something that we had identified that will be addressed; 20:20 is something that this States has been quite actively progressing through the withdrawal of allowances to move to 20:20, and of course Zero-10 has been extended considerably in its scope. So I think in many of the things which Deputy Lester Queripel was calling for, action has already been taken and it still leaves the challenge that we have.

I think before I close, sir, there are two further things to deal with. First of all the loss of Proposition 3: if Members of the States are inclined by a majority to vote down Proposition 3, then clearly that Proposition says that an annual charge is taken off the table; if Proposition 3 is lost then clearly I think by implication that is an expression of the will of the States that it remains on the table, and I think that would be Policy & Resources' interpretation of that decision.

Finally, I need to deal with Proposition 4. Proposition 4 is presented in the alternative and Members need to be very clear what they are voting for: 4A would be a freeze in fuel duty – an indication of an intent to freeze fuel duty for the next two Budgets; 4B is seeking to direct that the recommendation from P&R would be to increase fuel duty by the rate of inflation; and 4C is to

1810 increase it by the rate of inflation and any compensation needed for a further reduction in volume.

Now, like Deputy Dorey, I would agree that 4C is the least popular. It is what we have been doing in recent years and it is clearly unpopular but I, and I think Deputy Brouard certainly and a number of others, will be voting for 4C as we do believe that it is the right thing to do. But we have very clearly chosen to construct the Propositions in this way to enable the States to give Policy & Resources a clear direction on this very politically controversial topic to enable Policy & Resources to make some decisions around the Budget for the next two years.

1815 But I should also make it clear it is entirely possible that the States could reject all three Propositions and if they choose to do so then really what that says is the States is not going to give you, P&R, any direction, it will be up to P&R to decide what it wants to do – which is of course what it has been doing for the last few years, and will have to come back annually with a recommendation.

1820 So, just to be clear, if the States do reject all the Propositions that does not mean that we will not do any of those things, it just means that we will have to make that decision in the normal course in the normal way, and that is what we will do.

1825 But I hope that the States will give us Policy & Resources, having given the States the opportunity to give us a direction, I do hope that they will take that opportunity to do so.

Sir, I will now give way to Deputy Lester Queripel.

1830 **Deputy Lester Queripel:** Sir, I thank Deputy St Pier for giving way but seeing as I was not allowed to finish my list of alternative income streams, if I were to send a complete list to him (**A Member:** Hear, hear.) can he give me an assurance please that he will give them serious consideration?

Thank you, sir.

1835 **Deputy St Pier:** Sir, as hopefully Deputy Queripel will know, we have invited all States' Members to submit ideas for the Budget, through the Budget process this year, so absolutely, we would welcome any input from any Member and will give due regard to that, but again I would encourage all Members to refer back to the work that has already been done.

1840 So with that I do encourage Members to support the Propositions and I, like Deputy Dorey and others, will be supporting 4C, sir.

1845 **The Bailiff:** Deputy Lester Queripel has requested a recorded vote, so it is going to take a little bit of time to go through the voting. Can we take Propositions 1 and 2 together? Does anybody request that they be taken separately? No. In that case we will start then with a recorded vote on Propositions 1 and 2.

There was a recorded vote.

Carried – Pour 21, Contre 12, Ne vote pas 2, Absent 5

POUR

Deputy Fallaize
Deputy Hansmann Rouxel
Deputy Graham
Deputy Dorey
Deputy Le Tocq
Deputy Brouard
Deputy Dudley-Owen
Deputy Yerby
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey
Deputy Tindall
Deputy Brehaut

CONTRE

Deputy Lowe
Deputy Laurie Queripel
Deputy Smithies
Deputy Green
Deputy Paint
Deputy de Lisle
Deputy Prow
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Lester Queripel
Deputy Mooney
Deputy Le Pelley

NE VOTE PAS

Alderney Rep. Roberts
Alderney Rep. Snowdon

ABSENT

Deputy Inder
Deputy Oliver
Deputy Parkinson
Deputy Leadbeater
Deputy Meerveld

Deputy Tooley
Deputy Gollop
Deputy Le Clerc
Deputy Trott
Deputy Merrett
Deputy St Pier
Deputy Stephens

The Bailiff: So, Members, the voting on Propositions 1 and 2 was 21 in favour, with 12 against and 2 abstentions. I declare Propositions 1 and 2 carried.

Next, we vote on Proposition 3:

To agree that an annual charge based on ownership of vehicles is not introduced.

There was a recorded vote.

Not carried – Pour 8, Contre 25, Ne vote pas 2, Absent 5

POUR

Deputy Dorey
Deputy Le Tocq
Deputy Brouard
Deputy de Lisle
Deputy Trott
Deputy Merrett
Deputy St Pier
Deputy Stephens

CONTRE

Deputy Fallaize
Deputy Lowe
Deputy Laurie Queripel
Deputy Smithies
Deputy Hansmann Rouxel
Deputy Graham
Deputy Green
Deputy Paint
Deputy Dudley-Owen
Deputy Yerby
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey
Deputy Prow
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Tindall
Deputy Brehaut
Deputy Tooley
Deputy Gollop
Deputy Lester Queripel
Deputy Le Clerc
Deputy Mooney
Deputy Le Pelley

NE VOTE PAS

Alderney Rep. Roberts
Alderney Rep. Snowdon

ABSENT

Deputy Inder
Deputy Oliver
Deputy Parkinson
Deputy Leadbeater
Deputy Meerveld

1850 **The Bailiff:** Well, Members, the voting on Proposition 3 was 8 in favour, with 25 against and 2 abstentions. I declare Proposition 3 lost. Proposition 3 lost.

Next, Proposition 4A.

To agree that the rates of Excise Duty on motor fuel should not be varied in the 2020 and 2021 Budget reports.

Proposition 4.A.

There was a recorded vote.

Not carried – Pour 7, Contre 26, Ne vote pas 2, Absent 5

POUR

Deputy Dudley-Owen
Deputy de Lisle
Deputy Ferbrache
Deputy Lester Queripel
Deputy Mooney
Deputy Trott
Deputy Merrett

CONTRE

Deputy Fallaize
Deputy Lowe
Deputy Laurie Queripel
Deputy Smithies
Deputy Hansmann Rouxel
Deputy Graham
Deputy Green
Deputy Paint
Deputy Dorey

NE VOTE PAS

Alderney Rep. Roberts
Alderney Rep. Snowdon

ABSENT

Deputy Inder
Deputy Oliver
Deputy Parkinson
Deputy Leadbeater
Deputy Meerveld

Deputy Le Tocq
Deputy Brouard
Deputy Yerby
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey
Deputy Prow
Deputy Kuttelwascher
Deputy Tindall
Deputy Brehaut
Deputy Tooley
Deputy Gollop
Deputy Le Clerc
Deputy Le Pelley
Deputy St Pier
Deputy Stephens

1855 **The Bailiff:** The voting on Proposition 4A is 7 in favour, with 26 against and 2 abstentions. I declare 4A lost.

That brings us to 4B.

To direct Policy & Resources Committee to include proposals in the 2020 and 2021 Budget reports to increase the rate of Excise Duty on motor fuel in line with inflation.

I wonder in light of the last vote can we go *aux voix* with this one? Anybody requesting a recorded vote on 4B?

1860

Deputy Gollop: I request a recorded vote.

The Bailiff: Right, we will have a full recorded vote.

There was a recorded vote.

Not carried – Pour 11, Contre 22, Ne vote pas 2, Absent 5

POUR

Deputy Fallaize
Deputy Lowe
Deputy Laurie Queripel
Deputy Smithies
Deputy Graham
Deputy Green
Deputy Paint
Deputy Le Tocq
Deputy Prow
Deputy Kuttelwascher
Deputy Merrett

CONTRE

Deputy Hansmann Rouxel
Deputy Dorey
Deputy Brouard
Deputy Dudley-Owen
Deputy Yerby
Deputy de Lisle
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey
Deputy Ferbrache
Deputy Tindall
Deputy Brehaut
Deputy Tooley
Deputy Gollop
Deputy Lester Queripel
Deputy Le Clerc
Deputy Mooney
Deputy Trott
Deputy Le Pelley
Deputy St Pier
Deputy Stephens

NE VOTE PAS

Alderney Rep. Roberts
Alderney Rep. Snowdon

ABSENT

Deputy Inder
Deputy Oliver
Deputy Parkinson
Deputy Leadbeater
Deputy Meerveld

1865

The Bailiff: Well the voting on Proposition 4B was 11 in favour, with 22 against and 2 abstentions. I declare 4B to have been lost.

That brings us to 4C.

To direct Policy & Resources Committee to include proposals in the 2020 and 2021 Budget Reports to increase the rate of Excise Duty on motor fuel to a level necessary to maintain the real level of the income raised by taking account both of inflation RPIX and any change in sales volume.

There was a recorded vote.

Carried – Pour 17, Contre 16, Ne vote pas 2, Absent 5

POUR

Deputy Fallaize
Deputy Hansmann Rouxel
Deputy Graham
Deputy Dorey
Deputy Brouard
Deputy Yerby
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey
Deputy Tindall
Deputy Brehaut
Deputy Tooley
Deputy Gollop
Deputy Le Clerc
Deputy St Pier
Deputy Stephens

CONTRE

Deputy Lowe
Deputy Laurie Queripel
Deputy Smithies
Deputy Green
Deputy Paint
Deputy Le Tocq
Deputy Dudley-Owen
Deputy de Lisle
Deputy Prow
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Lester Queripel
Deputy Mooney
Deputy Trott
Deputy Le Pelley
Deputy Merrett

NE VOTE PAS

Alderney Rep. Roberts
Alderney Rep. Snowdon

ABSENT

Deputy Inder
Deputy Oliver
Deputy Parkinson
Deputy Leadbeater
Deputy Meerveld

1870

The Bailiff: Well, the voting on Proposition 4C was 17 in favour, with 16 against and 2 abstentions. I declare Proposition 4C carried.

You will resume at 2.30 p.m. The Deputy Bailiff will be presiding to allow me to deal with an urgent judicial matter. So, back at 2.30 p.m.

*The Assembly adjourned at 12.42 p.m.
and resumed its sitting at 2.30 p.m.*

OVERSEAS AID & DEVELOPMENT COMMISSION

**III. Our Place in the World: the next ten years of overseas aid in Guernsey –
Propositions carried as amended**

Article III

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled "Our Place in the World: the next ten years of overseas aid in Guernsey" (dated 24th May 2019) they are of the opinion to agree:

- 1. The proposed future structure of overseas aid as set out in Table 3, paragraph 10.6, of the policy letter;*
- 2. That, in 2020 and 2021, the funding allocated to the Overseas Aid & Development Commission should be increased by inflation only, and to direct the Policy & Resources Committee to take this into account when recommending Cash Limits as part of the annual Budget Report;*
- 3. That the States of Guernsey should adopt a target for its overseas aid giving of 0.2% of GDP by 2030, and to direct the Policy & Resources Committee to include a strategy to achieve this target within the Medium Term Financial Plans spanning the period 2022 to 2029;*
- 4. That, until such time as Guernsey's overseas aid giving reaches 0.2% of GDP, consideration should be given to allocating a proportion of any annual surpluses achieved by the States of Guernsey in excess of that budgeted towards overseas aid, and to direct the Policy & Resources*

Committee to include proposals to that effect in successive States' Budgets in the event of such a surplus;

5. That the Commission's mandate, as set out in the Rules of Procedure of the States of Deliberation and their Committees, should be amended by the deletion of: "to carry out the duties and powers above in accordance with policies set out by the Policy & Resources Committee" and the substitution therefor of: "to carry out its duties and powers in accordance with operational policies approved by the Policy & Resources Committee, and the strategic direction set by the States".

The Greffier: Article III – Overseas Aid & Development Commission – Our Place in the World: the next ten years of overseas aid in Guernsey.

1875

The Deputy Bailiff: I invite the President of the Commission, Deputy Yerby, to open debate.

Deputy Yerby: Sir, I am not sure if Deputy Leadbeater is asking to be relevé?

1880

Deputy Leadbeater: Sir, can I be relevé, please?

The Deputy Bailiff: Of course you can, Deputy Leadbeater.

Deputy Leadbeater: Thank you.

1885

The Deputy Bailiff: Then I invite Deputy Yerby to open the debate.

1890

Deputy Yerby: Sir, I am really pleased to be able to introduce this Overseas Aid & Development Commission policy letter. It is called 'Our Place in the World' a line that Members will recognise from the Policy & Resource Plan, and really that goes to the heart of what overseas aid and development can do for Guernsey and what we can do through overseas aid and development. We have the power here to make really positive changes for good in the wider world, to punch above our weight and to really enhance Guernsey's international reputation.

1895

Sir, this policy letter is about the next 10 years of overseas aid, and no doubt the headline figures that will interest Members is the question of: how much are we going to invest into international development in the years to come? But, sir, I really want this to be a conversation not just about how much, but about how and why we do this.

1900

Two things have brought us here today, the most significant of those I think was the Resolution on the States' Budget last year which Deputy Dorey and I led; and Deputy Dorey throughout my time in the States has been my conscience on this really saying, if the conversation on what Guernsey puts into overseas aid and development has to happen then of course the Commission really needs to lead from the front in saying why do we do this, why does it matter to us as an Island, and how can we continue to do it better? So, sir, I wanted to place on record my thanks to Deputy Dorey for giving me the encouragement and the courage to be part of that.

1905

At Budget time, the States directed the Commission to go away and look at ways that the States could increase its overseas aid giving to 0.2%, 0.3%, 0.5% or 0.7% of the Island's GDP. By that I do not simply mean how would we raise the money to do that, but if we had that kind of money what would we spend it on and what difference would it make.

1910

In the period between the States agreeing that Resolution, and we were due to produce a report April of this year and in the event our report was published in May, and that is because we formed part of the Internal Audit Unit's routine internal audit reviews. We were really privileged in fact that the Internal Audit Unit decided to bring in an external auditor who had experience in the UK's Department for International Development, so we were able to tap into some really deep expertise about how international development is done in other countries and how we can do it well here.

1915

1920 So we thought it was absolutely sensible to bring together the proposals that we were already putting together in response to the Resolution and the recommendations that came out of that internal audit review, and use those two things together to shape what we thought our programme should be for the next 10 years. So the policy letter that Members have in front of them today is a product of those two pieces of work in particular.

1925 Now, as I said, of course the headline has been the number, and the headline recommendation from this report is that we recommend that the States should aim to invest 0.2% of the Island's GDP into international development by no later than 2030. At the moment, we are investing slightly less than 0.1% of GDP and that is a context where the target for developed countries investment is up to 0.7% of GDP, and our neighbours in the UK are already at or very near that target. Although as Members will have seen from the report a lot of other countries in a similar position to us are not anywhere near that close. In fact if you look at the Europe-wide average it is much closer to 0.2% of GDP.

1930 Of course in this context the finance industry puts us in a kind of double bind, because it is largely thanks to the finance industry that our GDP is every bit as high as it is (**A Member:** Hear, hear.) but it is also because of the finance industry that we consider ourselves obliged to remain a low-tax jurisdiction. So the proportion of GDP that we are able to tap into as a result of that is very much reduced.

1935 So when we were thinking about what might be achievable and having conversations with Policy & Resources about what they might be prepared to support in terms of the Commission's recommendations, we had to take into account the fact that Guernsey is a low-tax jurisdiction and the fact that, as we well know, there are other internal and local pressures on States' spending which are only going to become more acute over the years ahead.

1940 But we also have to reckon with the fact that these GDP targets were set based not on what is comfortable for developed countries but what is *needed* to meet the basic needs of the developing world. So Guernsey's commitment to overseas aid has to reflect in some way the difference that is needed to be made in the world outside.

1945 So we thought our current position was untenable, but we recognise that going all the way to 0.7% of GDP, at least in the foreseeable future, was not something that was likely to be manageable for this States. We recognise that wherever we went to it probably needed to be a gradual increase year-on-year so the States could manage that incremental impact on its budget, and we came to the conclusion that recommending 0.2% of GDP, which in any event would be a doubling of our current commitment in absolute terms, would be a reasonable target to aim for over the next 10 years.

1950 If I can put that in context for Members, the amount that that would require on an annual basis assuming that there was a flat-rate, steady annual increase in the amount we commit would be a little bit less than £400,000. Now, we have committed to external reviews and inspections and goodness knows what else on far more trivial matters for far greater sums than that in the course of this Assembly alone. So just to put that into context: it is not something that we cannot manage and it is not something that we have been unwilling to manage on far more trivial matters in the very recent past.

1955 So, sir, I wholeheartedly recommend to Members the approach proposed by the Commission of increasing Guernsey's commitment to 0.2% of GDP by 2030.

1960 I would also mention that we have recommended, and again with the support of the Policy & Resources Committee, that in future years where the States is lucky enough to have a bit of a budget surplus as we did last year that a proportion of that budget surplus, and we have not been specific as to what proportion, should be set aside for international development-related initiatives.

1965 Now, when it comes to planning your annual activities ahead you want to know what kind of budget you are dealing with. So we are not assuming that a fixed amount would come from the surplus and that the Commission would be able to plan that in advance and already have that allocated and ready to go. We recognise that the surplus might be far better used for things like,

1970 as it was last year, investment in a Development Impact Fund or other one-off initiatives relevant to what the States is trying to achieve that also makes a positive difference in the context of international development.

1975 So we are not saying necessarily that any allocation from the surplus would go into the Commission's routine budget, but we see that as an opportunity for Guernsey to try new and innovative things, as it did with the Development Impact Fund, to make a difference in different ways and effectively to say, if we have been lucky enough to have a little extra, to have a bit of riches to go around then of course we agree that that benefit should be shared with the wider world.

1980 So this proposal, the two parts together, the 0.2% of GDP and the allocation from surplus put us I think in a position that is respectable, that is comparable to our nearest neighbours in terms of Jersey and the Isle of Man, and most of Europe, if not the UK, and that is eminently defensible in an international context. So I think certainly for the decade ahead it puts us in a very good position in terms of our commitment to international development.

1985 But, sir, the point that I tried to explain at Budget time – and I think I struggled to get it across at that time and I will try and make a better job of it now, at least I have the policy letter to fall back on because I think it makes it much more clear – is that you cannot just take what we are currently doing and pour a whole lot more money into it and expect it to work reliably and well.

1990 The pattern of Guernsey's overseas aid giving over the past 40 years has been to make small grants to individual charities on a project-by-project basis meeting the basic needs of some of the world's poorest communities. That ethos remains absolutely front and centre, but effectively the more money you put in, the more small grants you have to make unless you increase the cap or change things in some other way.

1995 The more small grants you are making the more of a governance and administration overhead you have, because for every grant we make there is a ratio of several applications to one grant so you are managing several applications. You are then taking each successful application through a series of governance checks, not only at the point where we agree in the first instance to allocate the funding, but also subsequently because, as Members well know by now, we make our funding to charities in stages so we have an interim check to make sure that everything is according to plan and on budget, and we only release a second tranche of funding if those checks are satisfactorily met. So the governance burden increases at every stage if we just scale up the number of small grants that we are giving.

2000 So what I tried to explain at Budget time and what I hope this policy letter achieves is to say that actually if we want to be making a bigger, stronger commitment to international development we have got to rethink the shape and the purpose of our giving.

2005 So what Members will see in the context of this policy letter is that we are proposing in the future that there will be six programmes of work that the Overseas Aid & Development Commission will be responsible for. Just for clarity, in case any Member is concerned about funding levels and feels that because they are concerned about funding levels they cannot also vote for the changes in project structure, we think that this programme structure will work whether or not the States decides to increase our budget. We think it is a better way of doing things and again reflects the recommendations of the internal audit review as well as our thinking around the States' Resolution. So, effectively, regardless of whether or not the States agrees that the Commission should have extra funding from here on in we would like to, and we intend to structure our work programme in this way from here on in.

2015 But just to try and explain each of those six programmes, very briefly. We want to continue with the small grants that we currently offer, they are at the heart of what the Commission has always done, they are valued we think by the Guernsey community generally and particularly by the Guernsey overseas organisations that we work with – often those are smaller scale than some of the big international development charities and we know the project-by-project funding that we are able to provide them with goes a long way in terms of making the difference they want to make in the developing world.

2020 So we absolutely think that there continues to be a role for small grants in the future work of
the Commission. But we are proposing to take that down to about half of our budget and half of
our overall work so, whereas in previous years we have tended to fund about 80 applications for
small grants, in future we anticipate it will be about 30, and that is much more manageable and
workable from a governance and administrative point of view as well.

2025 Also bearing in mind that all the Commissioners are giving their time for this role completely
voluntarily so presently they are doing about 20 to 30 hours prep work each time for a series of
five meetings, at which they have to review hundreds applications, we are at our limit in terms of
what we can ask from the Commissioners in terms of a commitment of time. So, again, this is
assuming that Guernsey wants to retain the voluntary commitment of the Commissioners but
2030 respecting what it is reasonable to ask from people in a voluntary role, this is seen as a more
appropriate way forward.

So, as I said, small grants will continue at the heart of our programme, but we are also looking
at introducing a new large grant scheme and we are looking at probably six to eight large grants a
year at most. The concept behind these is again not large in the overall context of international
2035 development, because you can imagine much bigger donors than us – and even Jersey does this
by investing millions of pounds into individual projects. We are not talking about that, we are
talking £150,000 or £200,000 into projects that are on a larger scale than what we currently do,
but not those massive projects that larger donors might be involved in.

These are projects that might go on for a period of years and they allow us to build longer-
2040 term, deeper relationships not only with the charities delivering these projects but also with the
communities in which they are delivering them. So we feel that this larger grants programme will
allow us to amplify our impact in ways that we cannot do necessarily through the smaller grants.

We are also proposing to expand our emergency relief programme and we are taking a
'behind the headlines' approach. We will continue to support the emergency appeals that fit
2045 within our criteria as and when they come to us. But we also recognise that there are a large
number of unreported disasters around the world, disasters that in effect do not have the critical
mass to get the headlines to get the attention, to get the fundraising that is needed to respond to
those. Guernsey has always had a track record of providing, I suppose, a kind of niche support and
providing support in those small corners of the world where others are not bothering to reach
2050 because it is too small scale, recognising that we ourselves are a small community and we can
reach out to other small communities and support them.

So we are planning on taking a more structured look behind the headlines every quarter to see
what is going on, to see whether some of Guernsey's emergency relief funding could make a
difference in those unreported disasters.

2055 We are also planning, sir, to continue with our community-based partnerships which have
evolved into a more structured approach over the last couple of years. Now, this is mostly when I
am talking about match-funding initiatives. So we have been really pleased, for example, to match
fund the World Aid Walk over the last few years which has acted as an incentive to people taking
part in the World Aid Walk to increase their fundraising knowing that it will be matched by a
2060 donation from the Commission to whatever amount they manage to raise.

These matched-funding initiatives provide core support to local charities, local charities
working overseas and they stimulate the kind of work that they do with the local community.
There is a benefit to us as well because we know Government knows, not only in the context of
overseas aid but in all sorts of contexts, that sometimes it takes a third-sector partner to engage
2065 with the community to raise the community's awareness and to educate the community in ways
that we cannot do or that would not be accepted if it was coming from us. So a community-based
partnership runs both ways. There are obviously benefits to the charities and to the projects that
they are delivering in terms of support from the Commission, but there is also real support for us
in strengthening community ownership and engagement with international development.

2070 Building on that, sir, we have proposed to develop a new area of skills-based partnerships. I
stressed from the beginning that overseas aid is, and I want it to continue to be, and continue to

2075 go from strength-to-strength in being good for Guernsey's reputation. One of the things that I think we could make a great deal more of is taking what Guernsey is good at, the skills and talents that we have in abundance here and sharing them with the wider world - whether those are
2080 finance sector skills, public sector skills, hands-on skills in agriculture or trade, or wherever. We think there are ways that we could be sharing these with our counterparts in developing countries taking on a kind of train the trainer role in different sectors, and helping to strengthen those sectors to really underpin the kind of economic and social development that is transformative in that it gives a country a bedrock of skills and knowledge that enables them to take their own
2085 development in hand and to reduce reliance on external sources of support. So we think again reputationally that has great potential for Guernsey and it is also a powerful tool for partnership with the developing world.

2085 Then the final part of our programme, and we recognise that this must remain small but we think it is important, is a conscious commitment to build awareness of international development locally. Maybe this can be seen as the other half of the skills-based partnership approach. We have recognise that there might be a role for the Commission perhaps in helping to support the big curriculum by being in schools and providing of real hands-on awareness of international development. We recognise that there may be other ways that we can engage with and educate
2090 the community. But if you create the understanding within the local community of what the needs and the context of the developing world is and you build the recognition among people here that, yes, we have the skills and the ability to help to close some of those gaps, then you are reaching over from awareness into making a difference. So I think that those two things go very much hand-in-hand.

2095 Sir, one of the things I just want to stress in the context of this approach to overseas aid and development is that we recognise that the regulatory context in which international development happens is changing. It continues to change, and it continues to get more stringent both in the context of financial crime, anti-money laundering, counter-financing of terrorism but also in the regulatory context when it comes to safeguarding of adults and protection of children. Particularly
2100 in the wake of revelations last year, the Department for International Development in the UK became clearer about its standards but also started to offer more training and support to UK-based charities to be able to meet those standards.

2105 Now, we know that Guernsey-based charities are doing important and critical work around the developing world, but it is unlikely that Guernsey-based charities are going to be able to tap into the same offer in terms of training and support as is available to UK-based charities. It is quite clear to me, and I think it is clear to the States, that we at the Commission have a duty of care towards those Guernsey-based charities working internationally to make sure that they are able to, as far as possible, continue to do their work and continue to do it well.

2110 In my three years in this role it has been made quite clear to me by Members, and by members of the community more widely, that where it is possible to support Guernsey-based charities working overseas we want to see you do that, and we recognise that and we try to do it.

2115 Bearing in mind the changing regulatory context we think that part of our support for Guernsey-based charities has to involve offering them some of the training and support that their UK-based counterparts might hope to tap into, because Guernsey-based charities are working with just the same vulnerable populations in just the same risky context and we have to make sure that they are prepared and able to do so well.

2120 The other aspect that Members will have noted in terms of the Commission's future work is that we are creating an administrative budget. Now, that is not new money in a sense, that is what already exists, but Policy & Resources have so far been kind enough to provide us with the staff and fair training from within the general mass of Policy & Resources' resources, and actually both the Commission and the Committee agree that it is quite important to see what the overhead is in terms of Guernsey's overseas giving. So this just – *[A mobile phone rings]* oh, mood music! *(Laughter and interjections)* This is just clarifying the funding that already exists and making it visible in the context of overseas aid, we think that is just purely a matter of good governance.

2125 Sir, the policy letter includes a statement of purpose which I hope Members agree aligns
closely with our goals in the Policy & Resource Plan, especially the goals relating to Guernsey's
mature international identity. It is a sort of mission statement for Overseas Aid & Development in
the 10 years from here, specifically that we will continue to focus our giving on the areas of
greatest need around the world; that we will always seek to maximise the impact of our funding,
2130 and Members have contemplated that through the creation of a Development Impact Fund as
well as through our more routine grant giving approaches; that we will continue, as we currently
do, to prioritise sustainable and life changing developments; importantly, sir, that our giving will
be good for Guernsey's reputation; and, bearing in mind what I have just said about the
regulatory environment, that we will give safely and effectively.

2135 Those principles are already shot through everything we do, everything that we are proposing
here and will continue to be our framework for the next decade. Articulating those principles in
the way that we have here, sir, I hope will allow us to develop measures of performance, measures
of success, which is something Deputy de Sausmarez in particular but other Members of the
States as well have asked us to think about doing. Having the context of a framework which says
'This is what we aim to achieve' allows us then to take that next step of saying '... and this is how
2140 we are achieving it'.

Sir, I just want to stress that this is not only good for Guernsey because it positions us well
internationally, it allows us to stand on the world stage and say yes we are playing our part as a
developed and flourishing country in helping other countries to flourish – something which I think
is increasingly important, given the external criticism we face from time to time. But, sir, I would
2145 stress that Guernsey's commitment to overseas aid and development is also good for Guernsey
because it helps us to achieve our *own* policy goals.

Sir, only in the last debate three weeks ago this States agreed to create a climate change
action plan. Overseas Aid offers a number of ways to contribute towards that plan through
emergency relief in the wake of disasters but also in terms of disaster preparedness and the
emphasis on sustainability that we have throughout our routine grant-giving, and doubtless
2150 throughout our Development Impact Investment and through our other approaches.

In particular there I want to draw out the fact that we are considering that when we launch this
larger grants programme, and again as I said talking about six to eight grants a year, we might
want a handful of those to be themed and to have regularly recurring themes that we can build
2155 up our own skills and knowledge around. One of those themes, sir, without a doubt has to be
climate resilience so, again, making sure that that commitment to climate action is threaded
through the work of the Commission.

Similarly, in talking about how we might themes some of those larger grants, Members will
know that this States is committed to signing up to the UN Convention on the Rights of Persons
with Disabilities. Now most of the work around that convention is naturally inward facing, but
2160 there is also an Article in the Convention that encourages more developed countries, countries
that are doing okay for themselves, places like us, to support the countries that are struggling to
realise the rights of people with disabilities.

In the context of the Commission's small grants, disability has always been something of a
2165 challenge for us. We have always seen that disability-related projects are worthwhile but almost
by definition they have much smaller numbers of beneficiaries than some of the other projects
that we could be funding with the same money. So just looking at it in a purely utilitarian context,
the figures often did not stack up for disability-related projects.

But again thinking about our larger grants and bearing in mind the States' commitment
2170 through the UN Convention on the Rights of Persons with Disabilities, there is potentially an
option there to have a longer-term focus on disability which maybe does not need to reflect the
same imperatives in terms of absolute numbers because the depth of the work and the
transformational change it can make by a more in-depth approach meets the same kind of goals
in terms of impact. So overseas aid and development is not just good for Guernsey in the world it
2175 is good for Guernsey here at home.

2180 Sir, I think that pretty much covers off all our Propositions but I just want to touch briefly on Proposition 5 which relates to the Commission's mandate and this is more or less a technical change. The mandate is a lit bit fluffy in this respect at the moment and I remember having to clarify this with Policy & Resources, and actually with outgoing Members of the States' Review Committee early on in the term, in terms of what was expected in terms of the Commission reporting directly to the States and what was expected in terms of our relationship between the States and Policy & Resources and the Commission.

2185 Proposition 5 sets out what actually happens in practice which is that P&R sign off any changes in our operational policy and when we are looking for a larger-scale strategic policy direction the Commission comes directly to the States for approval of that change. That maintains some sort of separation between policy around overseas aid and development and policy around external relations, which I think the States on numerous occasions has agreed to be important.

2190 So Proposition 5 seeks a small clarification to the Commission's mandate to reflect what has been the reality in practice. I just want to say for the avoidance of doubt that in both cases there is a higher authority and in terms of operational changes it is Policy and Reform; in terms of strategic changes it is the States. In a situation where you have only one politician on a body with a political remit you do not want me or anybody else acting completely on my own authority and this change *does not* propose that and I would *never* suggest that. I would not dare to suggest it in respect of myself and I would not suggest as good practice in terms of the States generally.

2195 Sir, in closing I would just ask for Members to indulge me if it turns out that I need to use the Give Way Rule a little but more than is usually polite in the context of this debate. I say that simply because obviously the Commissioners do not have the right to address this Assembly if it happens that there are misunderstandings or misinformation I would prefer to be able to address them as they arise rather than leave everything to sweeping up. I will try and not be rude and will try and sit on my hands as much as I can, but I just ask for a little bit of understanding in that respect.

2200 So, sir, Guernsey has done wonderful things over the past 40 years in the context of overseas aid and we can all be proud of what we have done. The Commission considers this to be a good blueprint for the next 10 years, rising to the challenges that those years will present and making good use of the opportunities that come with them in a way, sir, that I believe will both benefit Guernsey at home and increase our standing in the outside world. (*Applause*)

The Deputy Bailiff: Deputy Roffey, would you like to move your amendment at this stage?

2210 **Deputy Roffey:** I would, sir, but I just draw to your attention although I would like to put forward this amendment circumstances beyond my control mean I will not be able to be here at the end of the debate. Would it be permissible for my seconder to reply to the debate on the amendment?

2215 **The Deputy Bailiff:** Yes, it may be that it is a very short debate on this amendment, because all it is seeking to do is to add an alternate Proposition (**Deputy Roffey:** That is true.) and that can almost go through on the nod and then everyone can talk to everything that they want to and you can address the States if you want to in that general debate, Deputy Roffey.

2220 **Deputy Roffey:** I think I will address why I prefer this alternative now because if I do not and it does not go through after a long debate then I will not have the chance to do that.

The Deputy Bailiff: Can I just raise one thing before you start speaking? Can I just remind Members to switch off or turn to silent their mobile telephones, please? (**A Member:** Hear, hear.)
Deputy Roffey.

Amendment

To renumber proposition 3 as '3A' and to insert immediately after that proposition as renumbered:

'Or if proposition 3A is not approved,

3B. That by the end of the next Medium Term Financial Plan the total Overseas Aid/Development annual budget of the States of Guernsey should be increased to equate as far as practical to 1% of the latest known figure for the annual income to the States' general revenue account and to instruct the Policy & Resources Committee to consider a structured plan to reach that target by stages during the five year life of that Plan;'

2225 **Deputy Roffey:** Thank you, sir.

As you would expect from a former, indeed the first ever, Chair of the Overseas Aid & Development Commission I am usually supportive of just about all of the content of this report. I certainly agree with the change in structure that is needed to modernise the giving programme that Guernsey undertakes and I also believe that we need a significant step change phased in over a number of years in the amount that we actually give.

2230 I do, however, have some difficulty with the formula that is being proposed, not so much the figure that it generates if that figure was there exactly the same, but not generated as being a proportion of GDP, I would feel more happy about it. I know it is higher than what I propose and I know that Deputy Yerby has told me the Commissioners are not that enthusiastic about my amendment because it is seen as less generous.

2235 I am not sure that is actually true, because although it is a lower figure that is generated by 1% of General Revenue it is actually arrived at at an earlier time and therefore can be reviewed for the next five-year Medium-Term Financial Plan and I think actually those junctures ...

2240 I understand the attraction of a 10-year horizon which starts off doing nothing for a couple of years of this plan, then straddles the next couple of plans. But if the States have decided that the best way to look at how they raise money – how much they raise, how they allocate it and how they spend it – is in seminal five-year packages, and of course it can be adjusted in between, I accept that, but that is really the structure we have taken, I think that is the time to consider this sort of question about how much we spend internally on our own services and how much we spend externally. So the fact that it goes to the end of the next five-year plan only, and then leaves open the question of what happens beyond then, is as much a part of this amendment as the different approach of using a percentage of General Revenue income rather than GDP.

2245 Now, Deputy Yerby quite rightly said that we are in a conundrum over GDP because the very industry that generates a lot of our economic activity demands that we do not take too much in taxation and I understand that is why 0.2% has come up instead of 0.7% – although I would point out that a lot of those countries that do generate close to, or much closer than us to 0.7%, what they actually count in their giving programme includes a lot of things that I would regard as being closer to trade arrangements than to pure aid. So, I do not think we are always comparing like with like.

2250 But it goes far wider, I think, than what percentage of GDP we can afford. It is just in the Guernsey context absolutely the wrong tool. What is GDP? GDP is, to put it crudely, and I am sure experts will correct me, a measurement of the economic activity that a community is seen as taking part in. Well that is great, but how does that relate to affordability? Because some types of economic activity we tax quite heavily and take quite a lot of money from, and other sorts we more or less exempt – well, obviously, if they have got employees we tax their wages, etc. But there is huge disparity between how we treat different sorts of economic activity and how we actually gather money in from it. So if we want a formula which embodies both generosity but sustainability and affordability, it is clearly the wrong starting point.

2260 Now, I know that around the world the UN target is predicated on GDP; and even in this Trump-like era I still actually have a lot of time, and may be unique these days for having a lot of time, for the United Nations. But I do not think that their formula, set many decades ago, actually

2270 suits our particular circumstance. (**A Member:** Hear, hear.) I do not think we should slavishly, just to show that we are being good boys and girls, actually use a formula which is not applicable to measuring the affordability or the generosity. Because it could be the other way round and it could lead us to be excessively mean because if our GDP doubled and it was the type of economic activity that we tax quite heavily we could actually see a trebling in our States' revenues, and yet by the formula that would not be followed by our giving programme – we would only double it. So we would be giving a smaller percentage than of what we are actually bringing in.

2275 So, sir, I think that this formula is too simplistic. As I say, I am a huge supporter of overseas aid. I agree with Deputy Yerby that it benefits us, actually far more directly than in some of the ways she says. Again, I am old fashioned and I believe that we have a globalised economy and actually lifting out of poverty and increasing the economic activity in what were hitherto poorer countries benefits the first world enormously and, in particular, a place like us that that has such an internationalised prime industry as finance.

2280 So, please do not get this as me being mean, and if it feels that 1% of the revenue income is too low well it can go to 1.5%, it can go to 2% it can go to whatever this States deems to be sensible. But I still think it should be a percentage of what we bring in.

2285 I know my amendment would only insert an alternative Proposition, sir, before you stop me! But if it then turned out to be the option that was selected out of the two it would lead to a fairly significant increase in our giving over a period of time; but it would not be the end of the world if one wanted to be more generous, it could go further. But it is actually trying to say what percentage of the money we bring in should we spend internally and what externally? And there is a linkage.

2290 I have, over the years, constantly said to the naysayers of overseas aid it is not an either/or is it, we can spend on the things we need in Guernsey and that is not a good reason for not spending elsewhere. To an extent that is absolutely right but, to an extent, I have been spouting weasel words because, if you are only bringing in so much as a community in taxes and revenues, that is the size of the cake and you are going to have to split it between all the things we want to do internally and what we want to do externally.

2295 I have to say it worries me that I think the amount of money we are going to have to spend internally to maintain decent services over the next few years is going to be very significant indeed. In particular in relation to health and social care but not entirely to that.

2300 So, sir, I do not mind whether we spend £5 million, £8 million, £10 million or £20 million. Whether we spend 1%, 2% or 5% eventually of our revenue income in overseas aid, but I think what we want is whatever we choose to be the Goldilocks zone, whatever we decide is the right amount whether it is 99p in every 100p spent locally and 1p overseas, or 97p in every 100p spent locally and 3p overseas. It ought to be a formula that will stand the test of time. GDP just does not do that. It is just not properly related to affordability. So that is my reason, sir, for wanting to put this as an alternative.

2305 I will not be devastated if the States decide, no, they want to carry on and back the proposals as they stand. I will be delighted that we are getting a maturing and slightly more generous than hitherto overseas aid programme but I do not think the formula is rational, I do not think it will stand the test of time, and I think we ought to put in something linked to putting a proportion of our Government revenues into overseas aid and development.

2310 I simply leave it to States' Members to decide which is the more sensible – oh I give way to Deputy Inder.

Deputy Inder: Sorry, Deputy Roffey.

2315 Just for clarity, your amendment says: 'by the end of the next Medium Term Financial Plan'. If I am understanding it correctly the current one is in a four-year cycle to 2021; so the next one, will that be to 2025? Just so we have got the dates right.

2320 **Deputy Roffey:** The next cycle I think starts in 2022. I look towards Deputy St Pier and what I am saying is purely inside that cycle, unlike the target that is set here, because it is setting a 10-year horizon from now, is having to go over into the subsequent plan. I am saying the time to review how much we can afford to give – whether it is up, down or make no change – is at that point. That is when we will be reviewing everything else, that is when we will be reviewing how much we can spend on every other service and how much we need to tax. So that is the sensible time to do this as well. I hope that makes sense.

2325 As I say, I am not going to lose sleep over this, I lose enough sleep over other things, but I do think that it is just not logical. I think that the UN have come up with a formula which for big countries, which more or less have a uniform way of gathering money from economic activity, may make some sense – even though as I say it is distorted by what they define as actually coming into that 0.7%. But I do not think it makes sense for Guernsey.

2330 I would congratulate Prime Minister Cameron for achieving the 0.7%, but then I congratulate him for instance on being able to fund all NICE-approved drugs as well which he was able to do. I do not congratulate him on what he did towards the end of his term, because I think it has left the UK in the soup, but as I say ... I am going off, I am sorry, sir, I will come back to the point.

2335 I would ask Members to insert this as an alternative and even though I will not be here I hope that if they have inserted it as an alternative they will give serious consideration to thinking it is a better alternative than the one in the policy letter.

The Deputy Bailiff: Deputy Ferbrache, do you formally second that amendment?

2340 **Deputy Ferbrache:** I do, sir.

The Deputy Bailiff: Deputy Yerby, do you wish to exercise your entitlement to speak at this stage?

2345 **Deputy Yerby:** Only briefly because I am conscious of your direction that this could be a very short debate. Just to say at this stage, although I will encourage people to stick by the Commission's original Proposition in terms of the 0.2% of GDP target, we have no objection to this Proposition being included as an alternative to it.

2350 **The Deputy Bailiff:** Deputy Graham.

Deputy Graham: Thank you, Mr Deputy Bailiff.

I get in early just in case Deputy Roffey should be called away, just to say very simply and very briefly that I do actually agree totally with his analysis of where we are on this.

2355 I do take into account that Deputy Yerby would rather we did not. But I believe the attraction of this amendment is quite strong.

2360 For me, I do agree that the whole concept of GDP really is that of a blob, which is very difficult to use in relative terms if you want to really set a context for things that we are doing. Whereas I think the discipline of actually saying to ourselves this is our revenue and we are consciously ascribing a given percentage of that, and we can then compare that percentage with what we are spending on Education, on Health and so on. I do actually feel that that almost personalises the contribution, quite in addition to defining it pretty accurately.

Unless I really hear strong arguments to the contrary I shall vote for the amendment.

2365 **The Deputy Bailiff:** Deputy Le Tocq.

Deputy le Tocq: Thank you, Mr Deputy Bailiff.

2370 Sir, I believe my colleagues on Policy and Reform, and indeed Deputy Yerby, know that I am in favour of this sort of arrangement and in fact a number of years ago I tried unsuccessfully to move towards this when I was President of the then Overseas Aid Committee.

I do think for the reasons that have been given, which I will not rehearse, but I will underline one particular one, that this a better way for us to justify the way in which we fund our contribution to the global need for investment in the developing world in particular ways and it is particularly because GDP is not a good way for small countries.

2375 We often make the arguments in other areas that we have the same objectives as larger jurisdictions but the mechanisms and the formulae that we use have to be different because it is just not appropriate to apply them in the same way. They do not work the same for us as they do for larger jurisdictions. Coupled with that, as we have argued here before on this issue, there are very few countries that are even reaching the target of GDP for international development and aid.

2380 So I am supportive of this and one of the reasons for that at least is that we will have the opportunity to make the decision here today, but for all those critics of any monies that we give who are pointing elsewhere, in my mind this will be more like an investment that we make as part of our global duty. I am very conscious of the fact that it is important that we continue to do so because when I am questioned on it, particularly externally, people are pleasantly surprised that we give anything at all which is great and it goes to balance the criticisms that we have of our taxation system elsewhere.

2385 That was particularly the case earlier this year when I was in Paris and we ended up getting questioned on that and I was able to defend it. In my mind we would be able to apply it in a more appropriate way to the form of taxation and the quantum of tax that we take and of course, as Deputy Roffey has already explained, the future States would be able to change it in a more appropriate and justified way.

2395 **The Deputy Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

2400 Sir, I support this amendment and it is an issue that I have brought up in previous Budget reports, that the problem we have is our income and GDP are not directly related. It is obviously a relationship, and one of the main problems we have with our revenue is that the finance sector is about half of our GDP and the vast majority of that is taxed at a corporate rate of zero. You could get a situation where you could have quite a big rise in GDP with absolutely no rise in revenue. So it is irrelevant, I think, GDP in this context. We can only give a proportion of what we actually have got.

2405 Unlike a lot of other countries, and I think of the US, England and Italy in particular who print what they call helicopter money or quantitative easing, they have got such *massive* national debts which one day they will have to pay. I am sure part of that debt goes off in overseas aid. We are not in that position. We do have debt, but it a very small proportionate measure of our GDP.

So, yes, I am fully supportive of this and it is a sensible way to go forward.

2410 Thank you, sir.

The Deputy Bailiff: Is there any Member who wants to speak against approving the amendment?

2415 **Deputy Trott:** Not against, but I want to add some balance.

Deputy de Lisle: Yes I do.

The Deputy Bailiff: Right I will call you then Deputy de Lisle; and then I will call you, Deputy Trott.

2420 **Deputy de Lisle:** Yes, sir, I would speak against it because the way I see it, it is calling for £5 million being placed forward in terms of overseas aid during that period.

It is also basing itself on General Revenue. Now, General Revenue in 2018, for example, was in the region of £66.4 million but it was also in that region as well in 2017, and the point that I am making here is: in 2018 we had a deficit situation and in 2017 we had a surplus, and what this is
2425 not doing is recognising the fact that if we are in a deficit situation, and a serious deficit situation, then it is not really accounting for the position that we are in reality finding ourselves in.

So, as a result of that, I would not support this particular amendment, sir.

The Deputy Bailiff: Deputy Trott.

2430

Deputy Trott: Thank you, sir.

I just really wanted to give Deputy Roffey something to respond to and I thought that one way one could do it was along the lines of Deputy de Lisle, picking up on a comment that Deputy Kuttelwascher said. We can only give a proportion of what we have got, but of course we could be
2435 running a deficit. We have not got anything and yet we would still under this amendment be giving a proportion of our revenues at 1%.

But the more substantive issue is that this is a break away from what we do elsewhere. For instance, we do not say that we will give as near as damn it, 10% to issues under the mandate of the Home Affairs Committee; or, let's say 20% to Education, or 25% – I will give way.

2440

Deputy Roffey: I am just interested from Deputy Trott whether he thinks we give a percentage of our GDP to Home Affairs or to Education or to – ? *(Interjections)*

Deputy Trott: No, I am not arguing against that. I am just making the point that we are not as prescriptive about that when it comes to our Health and Social Care budget.
2445

This is unusual, in fact I think it would be unique if we adopted this policy. I am not saying it is not the right way to go but it would be ... I am trying to think if it is unprecedented, it is certainly very rare for us to be as prescriptive about the allocation as that, because we normally deliberately build in flexibility.

2450 Now, you do say in the amendment 'as far as practical' so I suppose the question that I need to ask is what are the tolerances to that? Because it could be that 'as far as practical' it was only 0.5% of revenues because of the circumstances that I have described.

So I suppose understanding what would be acceptable to the proposer and seconder of the amendment in terms of those tolerances would be helpful.

2455 But the main reason for rising was to give Deputy Roffey the opportunity to respond to the uniqueness of the Proposition in terms of the way we budget allocate in its entirety.

The Bailiff: Deputy St Pier.

2460 **Deputy St Pier:** Sir, I rise, very briefly, because I have just identified a minor error in the amendment which refers in its penultimate line to 'the five-year life' of the Plan. The Medium-Term Financial Plan only has a four-year life.

I think, just to make it very clear, that the current Plan expires in mid-2021; the next States would be agreeing the next P&R Plan and with it the Medium-Term Financial Plan that goes with that. So it will be a four-year plan, not a five-year plan.
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The Deputy Bailiff: Deputy Paint.

2470 **Deputy Paint:** Sir, I think this could be a really good idea, Deputy Roffey's If you take it over a four-year plan you could take an average of that, the same as your children's pocket money. If

you have not got any to give them, you cannot give it; but if you have plenty you can give as much as you can afford. So this would be a good balance, I think.

So I think that is the only way to go ahead. GDP: I have never liked it.

A Member: It does not exist.

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Deputy Paint: It does not live in reality and I like to try and live in reality.

The Deputy Bailiff: Deputy Roffey, I invite you to reply to the debate on the amendment.

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Deputy Roffey: I do not think there was any opposition to inserting it, sir. But there were some comments obviously ... because I made vague sense for once about which of the options would be the best ones to be inserted.

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I should be honest with those who are supporting it to say that it is only if we can afford it in that given year. I think if we are saying that 99% of what we are bringing in revenues should be spent on our local services and 1% should be spent externally on aid and development, it would be very mean-spirited to say that we have not brought enough revenue in this year, we have a temporary deficit. I think the way to account for temporary deficits is actually to look at either efficiencies or extra tax raising. So I am not going as far as, I think, Deputy Paint would like me to go, and say, 'Sorry chaps, this year we are not giving anything to overseas aid.' But what I am trying to do is to tie it in more to affordability.

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I take the point about the four years. My error, I actually think it is *better* having four years, it means that it is reviewed sooner and it means we move to the 1% slightly more quickly than we would do with the five years. But I still think at heart is the question of do you want the option – and it is only the option because we are only inserting an option – of going for a percentage, a proportion of our Government revenues – not all Government revenues, but General Revenue Government revenues, as opposed to GDP which many people have mentioned bears very little relation in the Guernsey context to affordability. I think most people do want to have that option and I would like it to be inserted so that people may vote on that at the end of the debate.

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The Deputy Bailiff: Thank you very much.

Members of the States, we go to the vote on the amendment proposed by Deputy Roffey, seconded by Deputy Ferbrache, to insert as an alternative to Proposition 3A as renumbered, a Proposition 3B. Those in favour; those against.

Members voted Pour.

The Deputy Bailiff: I declare the amendment duly carried.

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Mr Comptroller (**The Comptroller:** Sir.) can we simply delete five years or change five years to four years without further ado?

The Comptroller: I would have thought so, sir.

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The Deputy Bailiff: Would it be the wish of the Assembly that we treat the amendment as if five years read four years?

Members voted Pour.

The Deputy Bailiff: Well, we will do that effectively to get it moving. Thank you very much. General debate. Deputy Gollop.

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Deputy Gollop: Thank you.

I can see that the success of the amendment makes good political sense. But what I would say is Deputy Trott, as always, gave us a poser to think about parallels to the semi-hypothecation of a certain proportion of our revenue to overseas aid, and I have thought of one but not necessarily one Policy & Resources would be too happy about. That is, their guarantee to spend so much of our economic strength on capital projects, that they have not necessarily kept as a proportion of GDP. But that admittedly is unusual.

I, of course, support the report and the magnificent work the team and Deputy Yerby do on our behalf and support in broad terms the detailed work that they have done on Table 3. I am a former Member of the old Overseas Aid political committee which was funnily enough chaired by Deputy Le Tocq and who later took an interest in it on the Policy Council. But the thing is it is part of my growing thesis of the reduction in the role of the average politician, because of course back in the Millennium era when Deputy Ferbrache was first around and Deputy Lowe, you had politicians rightly or wrongly sitting all day on Overseas Aid, and now all the rank is done by perhaps people more appropriately skilled or qualified as Commissioners, as people reading perhaps now they do not read, they sit on the electronic data, all the demands that are so large.

But clearly there are many different roles and facets to it: small grants are still going to be 50% in the vision of the way ahead; large grants perhaps 30%; disaster and emergency relief awards which sometimes are conditional on what those emergencies are, 12%. But I am a little bit surprised perhaps that community partnerships and skills-based partnerships are still comparatively small at 5.5% or less of the total.

I have discovered, in working with the voluntary sector a little bit as former Disabled People's Champion and everything else, that there has been a change of thinking across the association of Guernsey charities and other bodies. They have not only raised their game in terms of professional skills but they realise that the old days, when you would hold a jumble sale in the church hall and raise £500 if you were lucky, less if I came in and ate the biscuits or whatever. It was not necessarily the greatest use of the resources of Guernsey and in fact the professional skills of entrepreneurs and professionals; and the public and private sectors in Guernsey are potentially a greater gift. We have been able to see perhaps a little but more of that in church groups, and in Jersey Overseas Aid; and I certainly would like to see the States of Guernsey spending money on our collective behalf as distinct from voluntary charities doing more of that.

I would add that although Overseas Aid Commission has been very successful and it is entirely my lacking in not going as an observer to one of their Committee meetings or presentations recently. One problem that the Commission still has, to be fair, and I wonder what Deputy Yerby or other people will comment on this, is it is a kind of public relations, because Guernsey must be one of the few places in the world where there is a President of Overseas Aid who is a doing a first-class job, can be almost vilified on a radio debate where a very successful individual is able to stand up for the public, who says: 'We don't want to pay when we have not got enough money on Guernsey for what we do!'

Now, somehow or other we need to get the message out that Guernsey has a duty to support overseas aid not just to keep up with everybody else but as part of our international identity, and as part of what we do to counter some of the misguided criticisms that come from parliamentarians and lobbyists in other places.

Yes, I think there is a difference by what you voluntarily choose to do, and even Members of this States such as Deputy Paint are very well known for the contribution they make to private international aid. I think the State obviously has to fly a flag, hopefully presenting the very best of Guernsey, but it does need to go somehow on the communications offensive to put across a view that it is actually vital; and if there are social concerns that there is real poverty or relative deprivation at home that is a different issue and needs to be handled in a different way fiscally and politically. But we really need to get behind Overseas Aid to make perhaps the conversation a bit less populous and a bit more generous.

The Deputy Bailiff: Deputy Stephens.

Deputy Stephens: Thank you, sir.

2570 First of all I want to commend the Overseas Aid Commission for their commitment to matching their activities to changing situations. Forty years' experience should not be casually discounted but I am absolutely sure that this gives them a firm foundation for deciding which way they want to go in the future. As a Member of P&R I am very pleased to be associated with the work, even though at arm's-length, and I think the continuing evolution of the method and policy is entirely right and it must benefit the recipients in developing areas.

2575 As Deputy Gollop has mentioned, the dissemination of skills is a really valuable development and drawing local people into a more sharing role and a sense of working with the Commission should bring with it a stronger sense of ownership. This, however, is a high-risk area. We can regulate funds, but regulating people is far more difficult and I want to talk for a moment about acceptable risk versus unacceptable risk. I think the Commission is well aware of the need to
2580 reduce levels of risk because I have discussed this with Deputy Yerby and we have had conversations about it. Unmanaged risk of course will lead to a loss of reputation which in turn leads to a loss of local support, which again leads to much less impact in developing areas.

So I want to draw Deputy Yerby's attention back to 12.4 in the policy letter and the confirmation of 'good practice in the Commission's fraud risk management resilience'. I just want
2585 to respectfully suggest that Deputy Yerby might wish to refer to 12.4 in closing. And I thank her for her references earlier to managing other kinds of risk.

I want just to comment on disability and Deputy Yerby's mention of the small numbers that can be benefited by targeted funding people with disability, and the issues that that raises. I would just like to make the point that if people with a disability are passed by as not seen as
2590 prime recipients, then it is possible that other donors will pass them by as well, and it is the outcome of investment in people with disabilities that needs to be considered closely and ranked against the outcomes for the population of the recipients as a whole.

But having said that I do not wish Deputy Yerby to take that as a criticism and I wish the Commission well and I thank them for what they do.

2595 Thank you, sir.

The Bailiff: Deputy Paint.

Deputy Paint: Sir, before I start I had better declare an interest that I am the Chairman of a
2600 charity looking after a village, its people and children in the Far East.

As far as overseas aid, I said earlier I like to live in the real world: well, in the real world if we get funds to be able to help what we do out there we can do it, but if we do not get funds we cannot do it and that is the real world according to my point of view.

2605 Government is quite, quite different. I am pretty sure that the Overseas Aid Committee have a much better understanding than they had in previous years, they have advanced quite a bit. So I do really congratulate them for doing so. What must not be forgotten is that there are many charities like ours, and including the Bailiff's Disaster Fund, that does help an awful lot.

I think a couple of years ago there was a big disaster in the Philippines. Well, the Bailiff did not open his fund for that so I passed some of my earnings from the States through a Catholic charity
2610 which had done the same. So a lot of people do that. It is all kept quiet, you do not like to brag about what you have got to do, but in this case we have got to speak about it.

So, really speaking, I am fully in support of the Overseas Aid committee, they do a wonderful job. I was also a recipient of I think about £1,800 a few years ago when we were doing a wells project in the village we are supporting. I think they gave us help for 12 wells out of the 137 we
2615 had to drill. But an overseas charity from Singapore actually gave us enough to do half the amount of wells which is half of 137 but the money came late and we would have had to give it back, but the company in Singapore actually said, 'Have you got another project?' and we did. The truth of it is, I applied again, I had the money that we were going to send back and they gave us

2620 all of it and it was for a potato project! In actual fact we only had to find £80 out of £5,000 we had to pay for a complete 18 tonne potato crop for them, and that helped the village no end.

So we must not think that people do not want to help. We have actually helped 56 children in education over the years of education; and other people are doing a lot of things.

2625 So I think what Deputy Roffey said is right. But, like I said then, it should be the average – some years you are going to do well and on others you are not, so therefore if you can help in the years you do well, all the better.

Thank you, sir.

The Deputy Bailiff: Deputy de Lisle.

2630 **Deputy de Lisle:** Thank you, sir.

Sir, I support the work of the Overseas Aid and the contributions that they are making currently and the enthusiasm that Deputy Yerby has in this particular area and the work that people like Deputy Paint are doing in terms of their particular charities and overseas work.

2635 But I will not be supporting a £3 million increase in overseas aid, a whopping 113% increase from under £3 million to over £6 million in terms of overseas aid at the current time; or the amendment which is asking for basically, as I see it, £5 million a year invested into overseas aid.

2640 I think we have got to get real, sir, and remind ourselves of the situation we find ourselves in. We were supposed to come out this term with a clean bill of health having turned the corner on the deficit. But we have not. The overall deficit for 2018 was £16.8 million, much the result of uncertainty in the market place and the investment losses; and the performance of difficult market conditions into 2019 this year cannot be overlooked. Guernsey needs to remain a low-tax jurisdiction and uncertainty with Brexit is certainly not helpful at the current time.

2645 But we are in no position, sir, to go forward promising huge uplifts in expenditure to future political terms as we have been doing recently. Another £4 million a year in income support was given a year or so ago through this Chamber; another £4 million a year was given on IT Support just recently, the £200 million that has been given over 10 years, which normally would have been £160 million – it is up £40 million over 10 years, so that is £4 million a year. That is an increase in IT. And IT changes almost every year: what are we doing investing so much so quickly for £4 million a year in addition?

2650 Then, today, an increase in Excise Duty on motor fuel by RPIX and change in sales volume. What is that all going to mean to the motorist and to the ordinary person in Guernsey? I just cannot believe really what is going on when I hear then a request for another £3 million for overseas aid. It is one thing after another, sir. Who is going to be accountable at the end of this term leading into next term when all these monies have to be found? It is the individual taxpayer who will have to find most of it; surely enough is enough, sir, people are already stretched now. The States have taken what little disposable income people had left and the majority of Income Tax is collected from individuals.

2660 As they say, the money will have to come from cuts and tax increases here in Guernsey. It will lead to more pressure on old-age pensioners, young families and people on fixed incomes to keep what they have. Taxes and charges to Government go up every year, every Budget time, and OAPs, sir, generally just cannot cope. Added to that, pensioners are under continual threat of withdrawal of the few allowances offered them.

2665 So I note though, having said all that, certain changes that are coming in to the overseas system of budgeting and so on that I would agree with. For example, I do feel that the disaster and emergency relief could be increased from the £200,000, in other words it would eat more into the £3 million than it does at the moment. And introducing a programme of larger, longer-term grants might be something that would be of use; and partnerships with Guernsey businesses and organisations could be forwarded a lot stronger.

2670 The States' contribution also to the overseas aid equation, I think we need to deal with that. I mean, the generosity of Islanders, businesses and organisations that needs to come out more

clearly. We have got no indication of what that means in Guernsey as a whole. How much is the generosity of Islanders, businesses and organisations actually contributing Island wide to overseas aid? We are never given those figures and we need them to know exactly what we are giving as a whole.

2675 The other point is that a lot of countries actually give through economic development, they see advantages to their own economy through overseas aid, in other words contracts are granted to their own companies and those companies go out overseas and do the work, and it spills back into economic development within the country itself, the donor country I am talking about. That is something that we should be doing a lot more and I notice that Deputy Yerby was talking about
2680 taking that particular thrust a little further in the future which I would support. I think Deputy Yerby was talking about skills and that sort of thing that we have here that we can actually share abroad. That type of thing – having companies here actually working abroad and expanding as a result of overseas aid and employing more people through that particular means.

2685 So in conclusion, then, I think we have got to be credible; I think we have got to be responsible; and we have got to be accountable. And *doubling*, as I see it, the overseas aid contribution just like that today is just not really responsible and accountable.

Thank you, sir.

The Deputy Bailiff: Deputy Merrett.

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Deputy Merrett: Thank you, sir.

Contrary to maybe Deputy de Lisle, sir, I have found this policy paper to be pragmatic, to be intelligence based and to be one of the best-written policy papers I have seen to date – probably unsurprising, as Deputy Yerby was involved.

2695 But it is really actually good to be able to speak today on something positive. Positive not only to our community but more on the global stage, and I think that is one thing that Members so far have not really spoken enough about.

2700 I also stood, sir, because I wish to place on public record my thanks not just to Deputy Yerby – but thank you, to Deputy Yerby – but to the Commissioners involved with this. This is time-consuming, they are making very difficult decisions globally, they are making difficult decisions for communities around the world and I thank them for that, sir.

2705 Now I think that where Deputy de Lisle potentially is concerned is more or less the tax system that we have in place, as was so beautifully said by Deputy Roffey that we 'sacrifice equality on the altar of simplicity'. I love that, I think that is brilliant, and I think I have almost got it word perfect as well. So I think potentially that is where we need to look. But, sir, that is a different debate.

So I commend this policy paper to the States. I will support it and I do hope that we can wrap this debate up relatively soon, so we can move on.

Thank you, sir.

2710 **The Deputy Bailiff:** Deputy Green.

Deputy Green: Sir, thank you very much.

2715 I will be supporting the Propositions. I will in particular be supporting the new Proposition 3B that has been inserted by the Deputies Roffey and Ferbrache amendment because, like others, I had concerns and a certain reluctance really that GDP is an appropriate metric in this area. So I think the 1% of General Revenue income is a better measure.

Paragraph 6.9 of the policy letter does say that we would not be a complete outlier if we did that and 6.9 says:

The Commission notes that a number of jurisdictions are now measuring their contribution to overseas development against the country's total revenue, i.e. the amount of money raised through taxation, contributions, charges and fees levied by the national government but not including investment income.

2720 So, yes, we would not be a complete outlier in that regard and I think bearing in mind the limitations of the GDP metric, particularly in an offshore Island economy, it would be much more preferable to go down the road of that metric. So I will be supporting 3B enthusiastically.

But I do not think anyone has made the point yet and it is really, I probably was not going to speak in this debate until Deputy de Lisle made the point he made. But it is worth just running upon the point that the international standard that is set by the United Nations is 0.7% of Gross Domestic Product. What this policy letter is advocating is a very gradual move towards 0.2% by 2030; 0.2% over 11 years. If that is not the definition of something that is modest and pragmatic, as Deputy Merrett was saying, I do not know what is.

2730 I think we absolutely need to demonstrate internationally that we are doing our bit in terms of overseas aid. As others have said we rightly or wrongly, mainly wrongly get criticised as a jurisdiction for various aspects of our economic approach in the offshore world, so this is exactly the kind of thing that we need to be demonstrating that we not only tick the box but really show that we are doing our bit. I think, notwithstanding the fact that 0.2% is quite a modest amount over time, this is exactly the direction of travel that we need to go.

2735 But the notion that this is somehow radicalism gone mad, (*Laughter*) I do not think that is right (**A Member:** Hear, hear.) The Propositions that have been put before us have obviously been thought about and chewed over immensely and I think it is a very gradualist, practical way of achieving something.

2740 But there will be people in our community who will criticise this policy letter as being insufficiently radical and being nowhere near the 0.7% that is expected in the national norm. So let's not pretend that the public reaction to what is actually being proposed here is going to be off the wall, because there will be other people in our community who will be critical for the other reason.

2745 So, bearing in mind this is the kind of proposal that will be criticised from both sides, I think probably Deputy Yerby and her colleagues have got the judgement absolutely right.

A Member: Hear, hear.

The Bailiff: Deputy Dorey.

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Deputy Dorey: Thank you, Mr Deputy Bailiff.

Firstly, I congratulate Deputy Yerby on her speech and I congratulate Deputy Yerby and the Commissioners on this excellent report which I fully support.

2755 I would just like to take up a few points that have been made. Deputy de Lisle talked about the Island being in a deficit. I do not think that I can leave that on record because I think it is extremely misleading. If you look at the accounts, it shows that on General Revenue we had a surplus of £66 million. It only became a deficit when we took into consideration the performance of funds.

2760 I think we as an Island are in a very privilege position to have money to invest in funds which many other communities do not have. As has been said, obviously they are subject to the performances of the market and as we have been told that the funds have recovered I think it is wrong to say that have a surplus. If you look at the Budget that we debated in November of last year we show a surplus of £1 million is predicted. I think that use of the word the *d* word, the 'deficit' word, I think is wrong and misleading.

2765 I would like to just ask Members to turn to page 14 of the report. I know people have criticised using GNP, but this shows where Guernsey is and you can see that Guernsey is relatively close to the top in terms of being one of the places which is low in terms of its contribution. All the arguments have been made about due to the finance industry it is the wrong way of measuring it, but if you look at Jersey which has a similar economy they are quite a way down and they are well over 0.2% going towards – I am looking at the graph not having the actual table – I imagine it is about 0.25%. So to say to the outside world it is because of our economy why we cannot, I think it

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can easily be criticised when Jersey, which has a similar economy, manages to give considerably more than us.

2775 Also as an Island we rely on international trade and I think, being a very affluent Island, that we have to play our part in this world. We might have relative poverty in our Island but we do not have absolute poverty, and we are dealing with communities which have absolute poverty. Although people often say charity begins at home but even within our community people are very happy to give to charities supporting people in our community, but there are people in this world who have far greater needs than anybody in our community.

2780 I am not saying that we should not be helping people in our community but there are other people ... We have to balance and Government spending is all about balance: do you spend on Health, do you spend it on Education, or do you spend on Home Affairs? But we have to balance and we balance by supporting the poor in our community, the people who are struggling in our community in relative poverty, but we also have to play our part in the world and be able to hold
2785 our heads up and say we are a community that does not just look after our community – we contribute as being part of the developed world and being a very affluent Island.

I think, and I have said it before, I really struggle to see why people are so anti-overseas aid when it was this community, not that long ago in, in the living memories of people in our community, whose circumstances were totally beyond the control of the population in this Island and was totally dependent for life – and it is *life* because people were near starvation – on
2790 overseas aid.

I think we as a community, when we were in a very bad situation, benefited from overseas aid, **(A Member: Hear, hear.)** and I think if there is ever a community who should – we now do not need that overseas aid, but we should be paying back and saying thank you to the rest of the world. **(Several Members: Hear, hear.)** We are in a situation where we can contribute and we should be contributing.

I would just like to look at – I will give way.

Deputy de Lisle: Sir, if I can just make a point.

2800 I was quoting from the States' Treasurer's Report this year which Deputy Dorey referred to and section 5.21 there makes the point that the overall deficit for 2018 was £16.2 million.

Deputy Dorey: Thank you.

2805 I explained that and I have got the very report in front of me here but, as I explained, there is a very good table in it which shows General Revenue and which shows a significant surplus on that General Revenue. It is only when you take the performance of funds, because of the accounting methods that we currently use we have to do that under the 'Total' column, which shows the £16 million deficit. But that is a deficit because of fund performance. I am not going to repeat what I said before but I think you are looking at the wrong column in terms of our General
2810 Revenue situation.

I go on to just look at the numbers. Currently in the 2019 Budget, it was £2.96 million which was the Overseas Aid budget. If you go back to the report which Deputy de Lisle has referred to, which is the Accounts, under the Income of General Revenue it shows £497 million was our income, so if you take 1% of that you will get £4.97 million. But if you go to the Budget, and obviously there are different ways we calculate it, the 2019 Budget shows a revenue income
2815 budget of £460 million so you would be up to £4.6 million. So both of those represent an increase which I welcome and I welcome any increase in overseas aid.

I struggled and I tried to think about a comparison, perhaps it is not a very good comparison people might say, but it is a bit like a pupil who perhaps did very well at the internal exams at school and says 'Look, I got 80% in my internal exams at school', but then he did not do quite so well in his external exams. But it is all well and good doing well in his internal exams but it is the external exams that people will judge him by, because it is those qualifications that they are judged by, it is not what the internal examiners at school did.

2825 So we might want to say, yes, we are giving x% of General Revenue income but, like it or not,
the way that we will be judged – and I know Deputy Le Tocq said that he could explain it but he
explained it in one situation, the rest of the world do not have Deputy Le Tocq explaining the
figures to him at every point in time when they want to make a comparison for us. People will
look at the table, and where does Guernsey sit. Guernsey is a very affluent Island, we benefit from
international trade, our sister Island which sits next to us with a similar economy is contributing a
2830 lot more.

I think the proposal made in the report is very modest to get there by 2030 and I think we
should accept ... We might not like the way other people are going to judge us, but this is against
a percentage of GNP is how you are judged. It is not like the pupil who can say to an employer 'I
did really well in the internal exams' – he just looked at the external exams. There are certain
2835 criteria which people look at when they judge something, and the judgement will be made against
percentage of GNP. So, like it or not, we need to focus on that and set a pathway to, I think, make
a larger contribution.

So I urge Members to vote for 3A which I think is the right way forward, and get up to 0.2% of
GNP in a very modest period by 2030.

2840 Thank you.

The Deputy Bailiff: Deputy Soulsby.

Deputy Soulsby: Thank you, sir.

2845 I will be brief. I would just like to, like Deputy Dorey, just pick up on a comment that Deputy de
Lisle made earlier, talking about the poor pensioners, but I think if he read the Joint Strategic
Needs Assessment on the over-50s I think one of the stark points that came out of that report was
how it was the under-50s who are the ones that are really struggling in comparison.

2850 Sir, I need to declare an interest, my husband is on the Guernsey Fair Trade Steering Group and
I have to say I welcome the added impetus given to promoting Guernsey as a Fair Trade Island
that has been given by the Commission and Deputy Yerby.

I really welcome this report, I think Deputy Yerby has really given the Commission a new lease
of life and I think it is something we should be really proud of, and excellently run and something
I think we should all have confidence in. There is so much internationally about what is going on
2855 with aid money and scandals within various organisations, but I think the work that is done here
should give us confidence.

Also, the transparency here in actually talking about an internal audit report and what its
findings are: it would be good if we could do more of that in the States of Guernsey, I think,
opening up saying what our flaws are but also what we are doing about them.

2860 One area I am really pleased to see is the skills-based partnership approach. That was
something I called for last term and I think it will give a really good reciprocal benefit for people,
young people over here, people with businesses, as well as those in the developing world.

2865 It is great having projects, little small projects about bringing in water and stands in small
villages and school buildings putting in, not as much as we are asking for here, but putting up
nice classrooms in some villages in the developing world. That has a place but I think if
developing countries are going to reduce levels of poverty sustainably, it is through equipping
their citizens with the skills to grow their economies.

2870 I think we have got a wealth of skills on this Island that we could really give to those countries.
Not just about growing businesses, but also about the collection of taxes and for many of these
countries part of the problem is they have got a taxation system but the taxes are just never
collected, and that is one thing that we could probably help with.

2875 I cannot support the new Proposition through Deputy Roffey's amendment for very much the
reason that Deputy Trott gave. As far as I am concerned I still think, I mean looking at paragraph
6.9 it talks about how the income is basically all money that comes in, it does not deal with
expenditure, so I cannot... It is all very well for countries which can build a national debt but I do

not think that is appropriate here. Effectively what it is saying, as far as I can read, if you take 6.9 and then the amendment it is saying we are basically top-slicing our income and then the rest is for local expenditure.

2880 I just think, as much as I *really* support overseas aid I do not think that will give the right impression. I think it is much better to use it in terms of GDP with all its flaws, and I do not deny it has got flaws, and I think we should always be looking at how we can better look at it, but I think because it is an internationally recognised comparator, and it takes account of inputs and outputs, that we should continue to stick by it for the moment.

2885 I am therefore happy to support all the Propositions put forward by the Overseas Aid & Development Commission and urge Members to do so.

The Deputy Bailiff: Deputy Ferbrache.

2890 **Deputy Ferbrache:** Sir, even though I did gladly and fulsomely support and second Deputy Roffey's amendment, what I said to Deputy Yerby yesterday in brief conversation is that that was being put in in my view as a backstop and I will be supporting 3A as it is now renumbered. Because even though GDP can wax and wane, we reclassified our GDP recently and it increased significantly by what £600 million or £800 million, a big figure, to what – £3 billion, or thereabouts?

2895 I take the point that Deputy de Lisle has raised. We have got lots of homespun problems and we would be going from £2.96 million to £6 million or whatever it is but, as Deputy Dorey, said it is over a 10 or 11-year period, and if you look at the wording of 3A it is capable of adjustment. If something goes wrong over the next seven, eight, 10 years it is capable of being taken back.

2900 And £6 million, when you look at the table on page 14 that Deputy Dorey has referred to and you look at the figures, you look at either the Roffey/Ferbrache amendment which would take us to about what – 0.133% rather than 0.2%? If you go to 0.2% we are coming percentage-wise at 0.2% just above America and just below Italy, we are about the middle of that table at best.

2905 Now, we are an affluent community and Deputy Dorey made another point, it is less than 80 years ago – what, 74 or 75 years ago? – that this Island, through no fault of its own, was in a *desperate* circumstance. People were coming back, because bear in mind 22,000 people had left Guernsey at the beginning of the Occupation, and all of Alderney except for one family had gone. They were coming back to complete devastation, absolute abject poverty. We were saved – because we would not have been able to get that income together on our own – by massive grants. Our equivalent, or the British equivalent, of the Marshall Plan. We should not forget that, we should never forget it, whether it is in another 100 years, that we were saved; we were literally saved for abject poverty.

2910 If we have ever got the right person in the States doing the right job it is Deputy Yerby. I know sitting with her on that Committee, and I am so enthralled with the Rules Committee, just how much attention she pays to duty, how diligent she is, and this is really her field if I may respectfully say so, overseas aid. None of our money will go to dictators to buy machine guns or Mercedes, or to build themselves palaces outside of Zimbabwe, or Salisbury, or whatever it is now called. None of it will do that, it will go to small projects and big projects which will help people's lives immeasurably and if we cannot afford that as a community with our respected affluence and our comparative poverty for some of our citizens – because some of our citizens are struggling and they will continue to struggle – but if we cannot apply £4 million, or £5 million, or £6 million to help other people in the world then it is a pretty bad job, in my view.

2920 Now, I will vote for 3B if 3A fails, I would hope 3A does not fail. GDP is an international norm, it may vary a bit and people may tweak it a bit, but I think we all know and understand what it means. Certainly we should understand what it means because I have heard Deputy Trott and I have heard Deputy St Pier quote it so many times that I have actually woken up when they have said so. So I understand the meaning of the terminology, so should they, so should we, we should vote for 3A, we should vote for all the Propositions and we should show Guernsey – bearing in

mind paragraph 1.7 of the policy letter which sets out the aims and the goals of this particular policy – we should show what a caring society the Bailiwick of Guernsey is.

2930

Two Members: Hear, hear.

The Deputy Bailiff: Deputy Dudley-Owen.

2935

Deputy Dudley-Owen: Thank you, sir.

I do hope that our Overseas Aid Commission is not going to be a modern-day emulation of the Marshall Plan because it did not work very well for third-world countries, which is why we have an Overseas Aid Commission nowadays.

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I would like to also add my voice to the compliments that have been extended to Deputy Yerby's Committee, I think this is a really very pragmatic and excellently laid policy letter and also thanks to all the volunteers on that particular Committee as well.

2945

I have had a change of heart over the last few years in regard to the funding and the level of funding for our overseas aid, because initially when I came into the States a few years ago I was very sceptical about the way that our overseas aid was distributed, and I do not think I have made any secret of that, because I was concerned about us just giving. I really wanted a more sustainable, more impactful and constructive way of helping people in places that are less well off.

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I have spoken to Deputy Yerby about this before and commented publicly and I am so pleased today to see the fruition of all the thought and all the hard work that has gone in to achieving that. So I have changed my position completely because I now have trust that our Overseas Aid Commission – which is going to be our Overseas Aid & Development Commission, which would be a nice term to use – is really going to be using the money with the mechanism in a more sustainable way with more impact which means that people can lift themselves hopefully out of poverty.

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I mean, Deputy de Lisle's comments before made me think immediately of all the people that undertake the most cruellest, awful journey that they can away from their homes and away from their families because of environmental degradation and because of the poverty that they experience in those home countries; and what a little bit of our money can do if used with these new tools that we are hopefully going to give her today, that we can enable people to thrive and survive and have a successful life where they want to stay rather than making those awful journeys and ending up in the most terrible situations as refugees up in our area of the world. So, for me, to increase the budget there in order to enable that happier consequence, for me it is not an awful lot for us to give I do not think.

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So one area of concern I do have and actually Deputy Soulsby is the only one that has touched on it, and it is something that I have said before, is about the emergency aid area and I think we still need to continue our vigilance in the choice of agents that we use in that regard. (**A Member:** Hear, hear.) Until we can demonstrably see that some of the charities, the big business corporate charities – namely, Oxfam – have really changed their internal culture, they have improved their governance, their behaviour out in the field and also their treatment of us as an international finance centre, trying to denigrate us and undermine us at any turn, I really do not want to see that any of our funds have gone via that organisation.

2970

But, aside from that one small negative, I absolutely endorse all of the Propositions and will be supporting them wholeheartedly with 3A being the only contentious one that I see that I will be supporting.

Thank you.

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The Deputy Bailiff: Deputy Inder.

Deputy Inder: Sir, when this first came to the Assembly, I think it was last year, I believe it was a Dorey amendment and I cannot remember the other person but it was a Dorey amendment.

2980 Deputy Dorey reminded us about our responsibility and what the British had done for our Islanders at the evacuation and prior to 1940, and Deputy Ferbrache has reminded us today.

My mother was evacuated to Leeds and she has distinct memories of wondering why there were thunderstorms out of her window every night. It was not thunderstorms it was Leeds being bombed. My father, who has now passed away, remembers doodlebugs flying over London and watching them drop into the centre of London. So these were children of our Island who were taken by the greater British family into Weymouth, Portsmouth all those kind of things. Had they stayed in the Island they probably would have all starved to death, that is the reality; because at the end of 1945 what was left of the Island was starving to death and if all those children had been left here their problems would have been greater and maybe some of us probably would not have been here today.

2990 So as a little Guernseyman I have to accept that we do live in a larger world, and I also accept that under certainly Deputy Yerby's care, who has done an admirable job over the past three years, and I concur with Deputy Ferbrache having worked with her on States' Assembly & Constitution Committee I was absolutely right identifying her as one of my first options for joining that Committee. I have utter faith in her as an individual and as a credible politician.

2995 Now, the one thing I will touch on is that something actually that Deputy Gollop said. It is actually very easy to walk away from this, as I suspect a couple of Members might, 'Nothing to do with me; charity begins at home; let's worry about what is happening on the doorstep rather than what is happening outside of the door'. I just, with some levity, I am going to tell you – and if I have done it before, tell me to shut up: How do you tell the difference between a Guernseyman and an Englishman standing on Jerbourg Point? The Guernseyman is the one who is looking inland. *(Laughter)*

3000 I think we have got some actual corporate responsibility here for those who do vote for this. We cannot allow *The Press* with their standard headlines to hang one individual politician on her own. If we do all vote for this, my single message to anyone who gets involved with the editorial and probably social media: if you voted for this, you stand by it. **(A Member: Hear, hear.)** You do not let individual Deputies get hung out to dry on it – and I will be the first person to defend Deputy Yerby who is basically fronting this. And that is all I have got to say on the matter.

3005 I am quite happy to support the whole of the policy letter as it stands.
3010 Thank you.

The Deputy Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

3015 I was hoping that there would be a bit of variety of speeches before I stood up, but it is inevitable, we all want to confirm our views on the policy letter and the team and I will briefly obviously add to that. For me, it is an absolutely excellent and detailed policy letter which has been produced by an inspiring team of Commissioners led by a dedicated leader. I wish to add my thanks to all of them.

3020 I do support the Propositions, and having heard the debate I also think I will support the original Proposition 3.

I had the opportunity to review several applications when I attended a meeting, I think it was a while ago now, but as everyone knows as well as a lawyer I am a compliance person, and I was particularly reassured by the due diligence and obviously the outcome of the internal audit. I also echo Deputy Soulsby's comment about the value of internal audits, this is something obviously quite a lot of us who worked in the finance industry will appreciate and I think those sorts of internal audits on subjects and thematics, as we call them, are very beneficial.

3025 I would like to refer specifically to paragraph 13.4 again along with the reasons for my particular interest. It is a section on the consultation but I wanted to put forward an offer in the sense that it says:
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The suggestions focused on investment in sharing 'soft skills' rather than the more traditional work-party approach. The discussions recognised that Guernsey has a wealth of experience in financial services, especially compliance and anti-money laundering. These skills are essential in enabling developing countries to strengthen their own economies, as well as helping to create an environment of good governance in which we can be confident that funding for international development reaches the intended communities and helps to lift the beneficiaries out of poverty.

Obviously those last few words are particularly important.

3035 I would just like to add that obviously being part of a community of the Anti-Money Laundering, Data Protection, Compliance squad I would like to obviously offer if we can garnish that excellent ... My colleagues, to assist in any way both obviously locally and through the Overseas Aid & Development Commission that would be an added bonus because often, especially as an England and Wales solicitor, other than through Citizens Advice it has been quite difficult to use those particular skills in benefiting the community and so I just add that as an offer.

Thank you, sir.

3040

The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

3045 The benefit of speaking late in this debate is that so many things have already been said that there is no point in repeating them, except to amplify the praise that has been sent in the direction of Deputy Yerby for an excellent policy letter with very much to welcome in it.

3050 From a personal point of view I really welcome and I completely endorse Deputy Yerby's comments about the overseas aid contribution to the Climate Change Action Plan. I completely agree and reiterate the connection between that and our mature international identity and reputation. It is all part of the same thing. I think we benefit in numerous ways and that is one of them.

3055 I am on record several times for being quite denigrating about GDP and those comments do stand. I think the larger issue that it touches on is actually ... Deputy Roffey put it quite nicely when he said the problem with GDP, or using GDP as a yardstick, is that it does not have a direct relationship with affordability, and I think that is correct.

I think that is an issue which we need to pick up and take out of this debate and have elsewhere to see whether there is anything that we can do to better marry the GDP with the impact that it has on the community, actually.

3060 Someone used a cake analogy and I cannot get past the cake analogy, I am really cross they did because I have just been thinking about cake ever since and it is really inappropriate! In a way it is a good analogy because everyone understands that cakes get bigger and smaller and they can be sliced up, and in a way it is terribly bad because it is a bit 'Marie Antoinette' and of course what we are talking about here is not luxury. So actually if I just drag my thoughts away from cake and make it a slice of bread, that might be better – (*Interjection*) or a loaf of bread.

3065 If the loaf of bread gets smaller I do not think it is acceptable that someone just does not get fed. I think the slices have to get commensurately smaller. And the one argument that Deputy Yerby said in her opening on this, which for me is the most powerful of all, is that target – yes, it may have been set a long time ago, it may have been set not specifically with Island economies in mind, it is flawed and all the rest of it, but the most important thing about it is that it is based not on what is comfortable for *us* but on what is needed in those developing countries. For me, that is
3070 the most important thing and I do not think we should lose focus on it. So for that reason I too will be supporting 3A; and 3B in the event that it does not succeed.

3075 But, yes, I am sure I am not alone and can probably speak for a whole bunch of people who have not got to their feet in thanking Deputy Yerby and all the Commissioners and all the people who put so much hard work, especially voluntarily, into this for an excellent bit of work and I am very excited about what the future brings. I think it is an excellent framework and we have got a lot to get excited about.

A Member: Hear, hear.

3080 **The Deputy Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, very briefly, I would like to thank Deputy Yerby and the Commission for their engagement with the Policy & Resources Committee on this policy letter. As others have said it is clearly coherent, the policy letter is clear, readily understandable and it has produced a set of
3085 recommendations which I think are flexible and responsible and pragmatic for Guernsey's situation, as well as achieving some of our wider objectives as others have spoken to.

Two brief additional points that have not otherwise been covered: one is in relation to the GDP targets and this is referenced in paragraph 6.6 of the policy letter but was not specifically referenced in Deputy Yerby's opening speech. I think it is worth drawing attention to the fact that
3090 many other countries have a whole raft of conditions attached to their funding in a way that we simply do not. So we are not entirely comparing apples with apples in that table. Now that of course is an extremely difficult message to communicate and is one of the challenges for Deputy Le Tocq in his conversations. I fully accept that, but I think it is something that we do need to continue to keep in mind in our own assessment of what is appropriate for Guernsey. I welcome
3095 the recognition in paragraph 6.6 of that fact.

The final point was one that Deputy de Sausmarez touched on in her speech a moment ago which is the affordability question, on the back of the Roffey/Ferbrache amendment. During debate it has struck me that I think there can be a link between the GDP objective and this
3100 question of affordability, and I think that can be bridged though the development of the next Medium-Term Financial Plan that does in some way seek to dovetail in the question of affordability through that planning process.

So I do not think that if 3B is rejected, as there does seem to be wider support for 3A, that the spirit of what others are seeking to achieve with that affordability question cannot be addressed through the Medium-Term Financial planning process and I think that is a matter which perhaps
3105 the Policy & Resources Committee could take away and work on with the Overseas Aid & Development Commission.

The Deputy Bailiff: I turn to the President of the Commission, Deputy Yerby, to reply to the debate – if you are ready?
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Deputy Yerby: Sir, on the one hand all the engagement with this policy letter has been so positive that I could just leave it at that and Members would probably be greatly relieved. On the other, it has been so constructive and engaged so much with the content of the policy letter that I think I owe it at least a few quick responses.
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I would like to thank particularly Deputy Tindall for her offer of helping to develop the skills-sharing programme. If any other Members would like to be particularly involved in any aspect of the Commission's work going forward then we would welcome engagement from anyone here and I hope, as Deputy de Sausmarez says, it is something that we can all get excited about and get behind.
3120

I wanted to thank Deputy Inder for his generosity in saying that this is a decision of the States and the States must stick by it; and Deputy Gollop too, much earlier on in the debate, when he said that maybe we need to go on a bit of PR offensive.

Now we, as a Commission, are trying to make it easier for the public to understand what we do through the way that we communicate, through the development of, for example, statistics that show not only how much we have spent but what impact that has made, what difference it has
3125 made in the developing world context. But to the extent that other Members would like to get to know our work, find out more about it and share it with the wider world we would be happy to make it as easy as possible again for everyone here to do that.

3130 I was delighted that Deputy Dudley-Owen said she had had a change of heart in respect of the
role of overseas aid and the potential of the Commission to have a sustainable and impactful
engagement with the wider world. I think she absolutely nailed it when she said that it is
completely a worthwhile investment for Guernsey if, by setting aside a small amount of our
budget, we can enable people to survive and thrive where they want to stay.

3135 Of course, Deputy Dudley-Owen and I were both present at a talk given by the Head of the UN
Financial Centres for Sustainability where I was really interested to find out that they are
developing an Africa Platform which is really complementary from what I understand with what
we want to achieve through the Skills-Based Partnership Programme. So we really see that there
are opportunities there as well to bring together Guernsey aspirations in respect of green finance
and what we are doing through overseas aid and development towards achieving the kind of
3140 goals that Deputy Dudley-Owen set out.

Just addressing briefly her point in respect of the need to continue vigilance when it comes to
emergency relief. We completely agree in respect of Oxfam, particularly, Members will know that
they are under a series of recommendations from the Charity Commission and until they have
fulfilled those recommendations our policies would not even allow us to consider them for
3145 funding. So that is completely off the table at this time, which I hope offers some reassurance.

In that context, Deputy Soulsby spoke about the transparency in respect of the internal audit
review and welcomed that. I think we appreciate that in the context of international development,
in the context of overseas aid, there is a need for greater transparency and for greater legitimacy
in terms of what we share with the States and the public, because we know that this can be a
3150 fraught area when it comes to public and political opinion. So, if anything, we try to overshare, we
try to be as transparent as we possibly can be through our annual reports, through my willingness
to engage with the media when questions come up around our activity and through whatever
other routes present themselves.

Deputy Stephens addressed this to a certain extent and asked me in particular to refer back to
3155 paragraph 12.4 of the policy letter in my conclusion. Paragraphs 12.4 and 12.5 of the policy letter
set out the Commission's approach to governance generally and to the way that things have
evolved since the last internal audit review in 2012. Just speaking from my personal experience,
since I came into the Presidency of the Commission three years ago I have seen the Commission
evolve on a year-by-year basis sometimes led by the Commissioners but often from the initiative
3160 of officers who have said 'Look, here is another thing that we can do to make our procedures and
our governance and the way we operate sounder, more transparent and more safe'.

I am really grateful for Deputy Ferbrache's kind words. He was confident enough to say that
none of our money will go to the wrong place, but I think Deputy Stephens was closer to the mark
when she acknowledged that overseas aid is a high-risk area. I do not want to give Members the
3165 impression that international development is an area without risk, that we do not from time to
time have to either suspend a grant that is in payment or that is about to be paid because the due
diligence that we have done on the charities, or the warnings that we have received about
charities have told us that this would not be a wise investment for Guernsey.

I hope it gives States' Members comfort to know that we do have robust due diligence and
3170 whistleblowing procedures in place so we can take that action when we need to, but I would not
want to say it is without risk and we do not have to be aware. There is always a risk that funding
could go to the wrong place and the assurance we have to give is that we try to be as on top of
that as we possibly can be and to deal with issues as and when they arise.

The other point that Deputy Stephens made was in respect of disability and I wondered for a
3175 moment if she had been involved in the Committee that wrote the sustainable development goals
for 2015 onwards, because her wording was so much like the wording that is in the 2030 agenda
which sets out those goals. For somebody who cares passionately about disability, as both Deputy
Stephens and I do, it is wonderful wording because it is talks about 'leaving nobody behind' and,
what is more than that, 'reaching the farthest first'.

3180 So what Deputy Stephens said about the outcome of working with people with disabilities can sometimes be transformational in the way that working with groups in the community who are less disadvantaged is not. We absolutely recognise that, but the assurance that I want to give Deputy Stephens is we already recognise that and we are taking steps to address that. We have already made sure that our policies are clear that general applications, or applications when they
3185 relate to education or health or sanitation or whatever, must include a focus on accessibility or will be prioritised if they focus on accessibility, and as I have said through the introduction of the Large Grants Programme we hope to be able to focus in a much more meaningful way on disability in the context of our Large Grants Programme.

I am conscious that this is something that the UK's Department for International Development
3190 is only itself starting to think about disability inclusive development and what that means for international development generally. So I think there is potential here for us to really be a leader in this field, if we chose to be.

I wanted to acknowledge the point that Deputy Paint made that even where government may not be giving or may not be able to give as much as it might wish there are plenty of people
3195 giving quietly, privately investing their own personal time and effort into supporting international development. I one hundred per cent acknowledge that and I thank from the bottom of my heart the organisations and the individuals who give of themselves to international development. I do not think that lets government off the hook. The UN target that was set in respect of government giving was set recognising that there will be a level of community commitment but that to make
3200 the difference the world needs it requires government commitment over and above that.

In respect, finally, of Deputy Gollop's comments that although he was pleased to see the introduction of community partnerships and skills-based partnerships he was disappointed that they were so small. I just want to say hopefully to reassure him, community-based partnerships are generally match-funding initiatives, organisations tend to come to us for smaller amounts
3205 when it relates to match funding, but those same Guernsey organisations often tend to come to us through our grants funding programme as well, so in a sense it is actually you should look at the grants funding and the community partnerships together to see what is really going into that pool.

In respect of skills-based partnerships, we believe that is an area that has a great deal of potential, a great deal of room for expansion as Deputy Soulsby picked up on. But we want to get
3210 it right. As with everything here I think taking a gradualist approach getting it right, getting the first principles right and building from there is important. So starting small is trying not to bite off more than we can chew and setting up a programme from first principles that hopefully can go on to be something really great for Guernsey.

So in closing, sir, I just wanted to address the new Proposition 3B and some of the remarks that Members have made about that. I think Deputy Dorey in his speech absolutely nailed it when he pointed out that we are an Island that relies on international trade and we have to be seen to play our part in the global community. He said if there was ever a community that should pay back and say thank you to the rest of the world it is us, and Members today have done that, and I
3220 think really recognised the legacy of that previous commitment to Guernsey and what it means for us and our relationship to the world now.

Of all the comments on the amendment I appreciated most and understood most, I suppose, Deputy Graham's comments when he said that he likes the 1% commitment because it personalised the commitment in a way that just signing up to the UN target did not. From my
3225 now quite distant church background I associated that with tithing, the conscious decision to set aside a proportion of your income to give to the outside world in this context, to give to the causes that you think are right. I get that.

I think the Guernsey exceptionalism has been laboured too much in respect of GDP and I think the arguments that have been made saying whatever we choose to do internally we are still going
3230 to be measure by external yardsticks, so is it not right at least to look at that external yardstick and tell ourselves what we think is reasonable in that context?

3235 I just want to highlight one point which Deputy Trott's speech I thought really illustrated and it is the challenge of definition. Deputy Trott said we normally build in flexibility when we decide how we are going to allocate our budget, and I do not think it is unreasonable for P&R to look for flexibility in this decision, and I am sure that in due course they will and I anticipate that one of the places that they might look for flexibility is in defining what counts as General Revenue income for the purpose of this Proposition. So I do not think that 3B gives us the same clarity in terms of what our commitment is as the target given as a percentage of GDP.

3240 As I said, I still think it has all the potential to put us in a better position than we are in currently, but I do think that coming back to first principles, recognising that overseas aid is about playing our part in the wider world. The wider world is being called on to give up to 0.7% of its GDP. If it is not giving that I think we need to be able to explain and justify what we are doing.

3245 As I said at the very beginning I think that the 0.2% target is explicable and is justifiable in the context of other local pressures, and I would urge Members to support it and to support the other Propositions in this policy letter.

The Deputy Bailiff: Members of the States there are a series of Propositions that you have to vote on. I am going to put Propositions 1 and 2 to you together unless there is any request for separate votes on those two Propositions. So in respect of propositions 1 and 2: those in favour; those against.

Members voted Pour.

The Deputy Bailiff: I declare Propositions 1 and 2 carried.

The next Proposition will be Proposition 3A, as it has now been numbered, original Proposition 3. Those in favour; those against.

Members voted Pour.

3255 **The Deputy Bailiff:** I will declare Proposition 3A carried, as a result of which there is no need to vote on Proposition 3B.

I will put Propositions 4 and 5 to you together. Those in favour; those against.

Members voted Pour.

The Deputy Bailiff: I declare those two Propositions carried and therefore Propositions 1, 2, 3A, 4 and 5 are all carried.

COMMITTEE FOR ECONOMIC DEVELOPMENT

IV. Proposed Amendments to the Guernsey Competition and Regulatory Authority Ordinance, 2012 and Re-Appointment of the Chairman – Propositions carried; Mr M O'Higgins re-appointed Chairman

Article IV

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled Proposed Amendments to the Guernsey Competition and Regulatory Authority Ordinance, 2012 And Re-Appointment of the Chairman they are of the opinion:

1. To approve the proposals set out in section 3 of the Policy Letter to amend the Guernsey Competition and Regulatory Authority Ordinance, 2012 to allow a power of delegation, by the

Guernsey Competition and Regulatory Authority, to its Chief Executive in respect of the following functions:

- a. serving a notice requiring the production of documents and information under section 23(1), (2) or (3) of the Competition (Guernsey) Ordinance, 2012 (the "Competition Ordinance");*
 - b. refusing an undertaking consent for the provision of copies of documents, instead of originals, under section 26 of the Competition Ordinance or to impose, vary or rescind any term, or condition, in respect of any such consent;*
 - c. giving an undertaking a direction under section 27(1) of the Competition Ordinance;*
 - d. refusing an undertaking access to documents, or refusing to allow an undertaking to copy documents, under section 28(2) of the Competition Ordinance or to impose, vary or rescind any term, or condition, in respect of any such access or copying;*
 - e. exercising any relevant power (to the extent that it is one of the administrative functions identified above) in relation to an undertaking, at the request of an overseas competition authority, under section 30(1) of the Competition Ordinance;*
 - f. omitting, pursuant to the provisions of section 45(2) of the Competition Ordinance, any matter from a statement of reasons given to the undertaking; and*
 - g. exercising the functions set out in sections 43, 44 and 45 of the Competition Ordinance in relation to any of the administrative functions identified above.*
- 2. In accordance with Paragraph 1(2) of Schedule 1 of the Guernsey Competition and Regulatory Authority Ordinance, 2012, to re-appoint Mr Michael O'Higgins, as Chairman of the Guernsey Competition and Regulatory Authority, for a further period, from 7th September 2019 to 31st December 2019.*

3260 **The Greffier:** Article IV – Committee for Economic Development – Proposed Amendments to the Guernsey Competition and Regulatory Authority Ordinance, 2012 and re-appointment of the Chairman.

3265 **The Deputy Bailiff:** I invite the President of the Committee for Economic Development, Deputy Parkinson, to open the debate.

Deputy Parkinson: Thank you, sir.

The Channel Islands Competition and Regulatory Authorities (CICRA) comprise the Jersey Competition and Regulatory Authority, (the JCRA) and the Guernsey Competition and Regulatory Authority (the GCRA).

3270 CICRA was created in December 2010 and both the GCRA and JCRA are independent of the States of Guernsey and Jersey. CICRA is responsible for the administration and enforcement of Competition Law across the Channel Islands together with the economic regulation of the telecoms, ports and postal sectors in Jersey and the telecoms sector in Guernsey.

3275 These proposals have been developed in the context of the Economic Development Strategy approved by the States on 28th June 2018 and support the development, maintenance and enhancement of the local economy, including the finance sector which is the central pillar of the economy.

3280 CICRA's strategic aims are firstly Competition Law: ensuring markets work well for consumers; secondly, Telecoms: ensuring the Telecoms markets work in the best interests of consumers through effective competition where appropriate and regulation where competition is not sufficient to adequately protect consumer interests; third, the Ports: to protect and further the interests of users of port operations where appropriate by promoting competition; fourthly Post: to ensure the quality of service standards to customers are observed and universal service obligations are met.

3285 These proposals follow: firstly a request from the Board of the Guernsey Competition and Regulatory Authority to amend the Ordinance; and secondly a recommendation from the Committee for Economic Development regarding re-appointment of the Chairman.

The proposed amendments to the Ordinance will enable routine functions to be delegated to the Chief Executive which will assist efficiency within the organisation.

3290 The term of appointment of the current Chairman of GSRA, Mr Michael O'Higgins, is due to expire on 6th September 2019. It is proposed that Mr O'Higgins be re-appointed as the Chairman of the GCRA for a period of three months ending on 31st December 2019 to allow for a recruitment process to be completed and a preferred candidate identified and *in situ* for January 2020.

3295 In short, this is the right thing to do for consumers, the economy, and the Island's reputation and I commend this policy letter to the Assembly.

The Deputy Bailiff: Well, on the basis that nobody has risen ...

3300 There are two Propositions; we will take them distinctly because they deal with different things. So in respect of Proposition 1. Those in favour.

Members voted Pour

The Deputy Bailiff: And in respect of Proposition 2. Those in favour.

Members voted Pour.

The Deputy Bailiff: We probably ought to do that again, I was thinking about something else I do apologise.

In respect of Proposition 1. Those in favour; those against.

Members voted Pour.

3305 **The Deputy Bailiff:** I declare Proposition 1 duly carried. In respect of Proposition 2. Those in favour; those against.

Members vote Pour.

The Deputy Bailiff: I declare Mr O'Higgins duly appointed for the period referred to in that Proposition.

**VI. Requête –
Island Development Plan –
Debate commenced and adjourned**

Article VI

The States are asked to decide:

Whether, after consideration of the Requête titled "Island Development Plan" dated 21st May 2019, they are of the opinion:

- 1. To agree that the States has the responsibility, and should have the opportunity, to direct policy adjustments to the IDP during this political term;*
- 2. To direct the Development & Planning Authority, in consultation with the Committee/or t/7e Environment & Infrastructure, the Policy & Resources Committee, and other relevant stakeholders, to carry out a review of the IDP, to be brought back to the States by April 2020, that includes recommendations on how to best address the concerns expressed in Recitals 4 to 17 to this Petition, with a specific view to:*

- (a) Giving greater consideration to the cumulative impact of separate developments, and the density of development in certain areas;*
 - (b) Re-evaluating the need for Development Frameworks, and any associated thresholds;*
 - (c) Reconsidering the approach to prioritisation of development on Housing Allocation Areas, in a manner that affords greater protection to greenfield sites designated as Housing Allocation Areas;*
 - (d) Affording protection to areas of open land, not currently classified as Important Open Land, within the main centres, main centre outer areas and local centres;*
 - (e) Affording greater protection to ABIs, giving particular consideration to whether any should be re-designated as SSS;*
 - (f) Incorporating the findings of the Guernsey Housing Market Review and accompanying policy letter, and bringing forward the review of land supply for housing and employment; and*
 - (g) Considering how the development of Community Plans can be stimulated and supported;*
- 3. To direct the Policy & Resources Committee to coordinate a review of the role and function of the Development & Planning Authority, as described in Recital 18 to this Petition, to be brought to the States no later than April 2020, including the constraints placed on its political and democratically-accountable character as a result of planning legislation, planning policy and other law, and how these might best be resolved; and whether or not the planning legislation should be amended to give the Development & Planning Authority discretion to make more than minor departures from a development plan where other material planning considerations weigh in favour of such a departure;*
- 4. To direct the Policy & Resources Committee, in consultation with the Committee for the Environment & Infrastructure, the Development & Planning Authority and the States Assembly and Constitution Committee, and further to Recitals 5-7 to this Petition, to consider how to integrate reviews of the Strategic Land Use Plan into the Policy & Resource Plan process, in order to ensure alignment with States strategic objectives; to reconsider the cycle of reviews and updates associated with the SLUP and the IDP in order to enable meaningful debate within each States term; and to bring forward its recommendations in respect of timing no later than the final Policy & Resource Plan of this States term;*
- 5. To direct the Committee for the Environment & Infrastructure to bring a policy letter to the States, no later than April 2020, on third party representations in the Planning Tribunal process, as described in Recitals 19-20 to this Petition.*
- 6. To direct the Policy & Resources Committee to consult with the Committee for the Environment & Infrastructure, the Committee for Economic Development, the Committee for Employment & Social Security, the Committee for Health & Social Care, the Development & Planning Authority and the principal owner of the land within Leale's Yard, and to report back to the States with a policy letter on the regeneration of the Bridge area, as described in Recitals 10-11 to this Petition, no later than December 2019, containing recommendations to enable the progression of development, giving consideration to States involvement in the delivery of the development, if appropriate, including consideration of incentives and mechanisms to facilitate the development of the site and the funding of the same.*
- 7. To direct the Policy & Resources Committee to find sufficient resources to enable the work set out in these Propositions to be achieved within the timescales directed;*
- 8. To direct the preparation of such legislation as is necessary to give effect to their decisions.*

The Greffier: Article VI – Requête – Island Development Plan

3310

The Deputy Bailiff: I invite the lead Requéant, Deputy Merrett, to open the debate.

Deputy Merrett: Thank you, sir.

3315

I could simply use four words to summarise the intention of this Requête: accountability, sustainability and natural justice.

The aims are simple but the road here has been hard, especially when it comes to planning. It does feel like we tie ourselves into gigantic knots and complicate things, so not only do some Deputies have trouble in trying to find ways to resolve issues, but our community also get lost along the way.

3320 I have had considerable difficulty in drafting this Requête, difficulty in resolving how I can bring this to the attention of this Assembly and how genuine concerns can be addressed. So, sir, if I have not dotted every 'i' and crossed every 't' then I apologise, but I can assure this Assembly and our community that this is not from a lack of trying. I am trying my hardest.

3325 So, sir, I will start with accountability. Proposition 1 relates to this, it was this Assembly who tried valiantly to amend debate and who ultimately enacted the Island Development Plan, the IDP. Just saying that it was passed unanimously glosses over the reality that we all agreed to enact it, it was after four days of debate in which many amendments were fought over, some gained majority support and some did not.

3330 Were we Members simply nodding dogs who whipped it through? No, we were not. It was a pragmatic vote on my part. The IDP has the potential to support sustainable development; it has the opportunity to support our community; and the opportunity to protect the environment. But since then, sir, some of its objective interpretation has caused me considerable concern. I am accountable and so is this Assembly. We are responsible, we enacted it, and I believe we have no experienced enough interpretation of those policies in real terms and as such should have the opportunity to direct policy adjustments to the IDP in this political term.

3335 Sir, if this Assembly feels it is now necessary to change elements of the Island Development Plan which are not working as we hoped they would then we should not feel bound by the fact that we once approved it unanimously. It is for this Assembly to make policy and to change it to meet the needs of our community.

3340 Sir, if this Assembly gives a very clear direction to the Development & Planning Authority, the DPA, about the planning policies it wishes to see and it turns out that the DPA cannot enact the will of the Assembly without a change to the policy in the IDP or the SLUP – the Strategic Land Use Plan – or our Planning Laws, then it is not good enough simply to say that we are prevented from taking that policy direction because of something in the wider framework. Instead, the DPA should expediently bring a policy paper to the States with its recommendations as to how they can enact the will of the States.

3345 The Planning Law explicitly states the DPA must prepare amendments to the Development Plan if required to do so by Resolution of the States. If the DPA cannot enact a Resolution of the States then they must use necessary steps to do so.

3350 Now, sir, I thought the intent of the co-bias amendment was clear. The spirit of the successful amendment to me was clear but it later transpired that the DPA could not enact the will of the States because of the policies within the IDP. Two and a half years after the IDP was enacted, the DPA decided not to hold an open planning meeting on an application that resulted in almost the complete opposite of the direction of the States because, and I quote, sir, from a media statement made on 31st May this year:

Everything fitted within the policies and if it fits within the policies we have no grounds other than to grant permission.

But knowing the will of the States, sir, which was quite clear from the debate on the co-bias amendment, why had no steps been taken to change the policies in order to reflect the direction the States established?

3360 Now, Proposition 1 reminds us that despite these frustrations it is the Assembly which is accountable, which is responsible, and which should have the opportunity to direct policy adjustments to the IDP in what remains of this political term. If there are things that need to be done for the benefit of our community then we need to do them.

3365 Proposition 2, sir, deals with the changes that we believe are needed. They mainly relate to sustainability. It directs the DPA to review the IDP in consultation with other States' Committees and to return to this Assembly by April 2020 to address those concerns that have been raised

since the enactment of the Island Development Plan, especially during the Annual Monitoring Report, the AMR, debate nine months ago.

3370 So Proposition 2(a) asks how the DPA can give greater consideration to the cumulative impact of separate developments and the density of developments, something our case-by-case approach to planning applications does not currently allow.

3375 For 2(b) we ask DPA to re-evaluate the need for development frameworks or the threshold at which they are used. Now this is an interesting one, I need to spend a bit of time explaining it. Some Members have urged me to simply propose that we remove the requirement for DFs, development frameworks, in their entirety. I am sure they will explain why when they speak but I will speak to this in more generic terms.

3380 The requirement for a development framework is imposed by the IDP in certain circumstances. A development framework must be adopted by the DPA and is the Authority's document at the end of the process. But Planning can and have asked developers to draft the frameworks themselves, and there are considerable benefits for developers from this process, although the length of time and cost involved in producing a development framework can also act as a disadvantage, and can literally put development on hold indefinitely, or be a barrier to investing in our beautiful Island. But most importantly, sir, *most importantly*, what are the benefits or the detriments to our community? What do they get from development frameworks?

3385 Now, sir, the biggest complaint I have received is that people do not know when a draft development framework is out for consultation; no site notice is required and neighbours on adjacent land that is subject to a draft framework are not written to, to advise them that a draft development framework is out for consultation. There is a media release and that is it, and even that is not obligatory.

3390 Now, this is worrying as what is the point of a consultation if our community do not even know the draft framework exists? I would argue that there is a requirement for publicity, and that every effort should be made to contact those who live within the vicinity of a draft development framework. Communication, sir, is key in this regard. Certainly the neighbours of the Chouet development framework were very disappointed that they did not even know there was a draft development framework that had been consulted on. I asked for an extension to the draft development framework consultation on 11th June and am still awaiting a response from the political board. Now they can extend the consultation period if they see fit in exceptional circumstances.

3400 Now imagine, sir if you could, if you were to live where you live could become a blast zone – (*Interjections*) Chouet, sir, that is what I am talking about. – for a long period of time, but you were not aware of it and were not even aware of a draft development framework consultation because you were off-Island for personal reasons. You return and you find out that you are three days too late to submit a representation. So imagine, sir, that five months later after being just three days late you are still awaiting a response.

3405 Likewise, if a draft framework is amended, sir, and goes back out for consultation anyone who has already made representation is not notified. This process, sir, I put to you is not easy for the public to take part in.

3410 Development frameworks might only be supplementary planning guidance, but knowing that the DPA considers that 75-125 houses could gain permission to be built in, arguably, one of the least accessible areas of the Parish of St Sampson and all that follows from that cannot be an easy pill to swallow.

So, sir, some of our community think the battle is lost and that any planning application aligned to a development framework will be granted. The lack of engagement and communication with our community around development frameworks really concerns me.

3415 I have asked Planning what the costs of drafting development frameworks are, but they are unable to tell me. What we do know is that officers advise development frameworks for Leale's Yard would cost between £50,000 and £100,000.

At the time of drafting the Requête, there were 13 frameworks approved and 13 being drafted, so 26 development frameworks. If one is anything between £50,000 and £100,000 what is the cost in time and resource of 26? Are we getting value for money?

3420 Now, sir, what I expected when we debated the IDP was that the DPA would prioritise sites that required development frameworks. I expected the first priority would be brownfield sites; secondly, housing allocation areas, regeneration areas, and key industrial expansion areas. I expected political judgement and leadership to be engaged. I did not know or understand that in practice these frameworks would be brought forward at the behest of developers rather than by
3425 political strategic overview.

So, sir, maybe I was just naïve, I had an expectation that has not been met; but if development frameworks are to remain then I do believe that political, strategic overview and leadership is required. And that, sir, is what Proposition 2(b) seeks.

3430 Now Proposition 2(c) asks the DPA to consider the approach to prioritisation of development on housing allocation areas in a manner that affords greater protection to green field sites.

Sir, arguably green field sites could be held in abeyance or even removed as housing allocation areas altogether if there were sufficient brown field sites to fulfil the States' strategic housing indicator. Arguably we should be considering policies that enable development on brown field sites; we should identify the blockages and try to support development in those areas that could
3435 serve our community and the strategy of the States more effectively – not just encourage more applications in the *hope* that developers will build something.

There are currently 658 pipeline permissions for housing units in 2017 and 2018; 93 affordable units; and 148 were completed. It may be a fact that not all of the 658 pipeline permissions may be built but that does not give much comfort to those who are impacted by these permissions.
3440 What comfort is there when a digger or a bulldozer could arrive any day and be lawfully able to start development? What would the impact on our infrastructure be if they were indeed all built?

When a green field site is developed, it is gone. Gone, some would say, forever. Now I should add, sir, that green field sites are far broader than just housing allocation areas and that is why we have included Proposition 2(d) which is asking DPA to consider and recommend how we could
3445 also protect open land in main centres, main centre outer areas and local centres. To be honest, sir, I thought we had already done this. Page 49 of the IDP 5.1.2 states:

Within and around the Main Centres there are areas of open land that provide breathing space within the built environment ...

It continues, sir:

These are important to protect ... to prevent the potential wholesale development of the Main Centres and Main Centre Outer Areas and the subsequent loss of important open spaces between them.

The wording is virtually identical for local centres but crucially although this is written in the IDP under policies MC1 and LC1, in fact they are only for areas designated as *important* open land
3450 not open land.

So Proposition 2(d) is seeking to afford protection to areas of open land not currently classified as important. Protecting open land could have saved the Maresquet Field and could perhaps still save La Pointe. So I am of the firm belief, sir, that we do not have to tarmac the entirety of our local and main centres to achieve our current or medium-term housing needs. The members of
3455 our community that live in these areas should also be able to walk to the local shops or to any other local amenity and see some relief from urbanisation. I believe that we do not have to build on all open land, land that for all intents and purposes our community use as green field as they quite simply are fields and they are green. We recognise in the IDP that open land is important to protect but we have not actually protected it.

3460 Surely, sir, building sustainable communities should be our priority and using brown field sites and protecting pockets of green fields will certainly help the same. Although, sir, I do also feel for important open land. An application FULL/2017/2053 concerned many of our community. The

3465 permission was granted. In the permission it stated that part of the area is proposed to be designated for nature conservation – an area of biodiversity importance. It proposed – and we have not actually done it yet – so it was ignored.

Further the permission acknowledges and I quote, sir: 'The wider area of important land extends into the application site.' It is considered to be important but primarily in longer distance views. It states that close views and public vantage points are limited – for example, the view from Les Courtils nature trail – and are not considered to be as significant as the longer-distance views identified.

3470 It concluded that, as the majority of the proposed development – which by the way, sir, was I think quite a few four-storey houses – to be positioned outside the area of important open land with only a small area of it encroaching on important open land, that was all right. So it is not important any more, sir. It is not open any more because now it is domestic curtilage. Now that is a subjective interpretation that I would not have expected.

3475 Proposition 2(e) is seeking to enhance the protection for areas of biodiversity importance. I refer to them as ABIs, known as GP3. Broadly sir, GP3 states that and again, I quote: 'Development within ABIs will be supported provided that proposals demonstrate that the biodiversity interest of sites has been considered and where possible enhanced; or negative impact can be appropriately and proportionately mitigated.'

3480 So consider it, and try to protect it and, where possible, enhance it, or any negative impacts will need to be appropriately and proportionately mitigated. Sir, I can consider anything it was not possible to enhance it, it was not possible to protect it; so I will subjectively try to mitigate it proportionately and appropriately. Now, what I think is proportionate and appropriate will undoubtedly be different from what the next person will think.

3485 Now, this was evidenced when I found out how weak the protection really was when I enquired about the sale of land that has an ABI status. I was advised that as long as the properties have gardens big enough for a whirligig – which is like an air dryer, in the garden – and if there was a bit of grass, let it grow a bit long once a year, at least when the properties were built I would need to have that, it would be fine. All I had to do was consider it, where possible minimise any negative impacts, and if it is not possible, do you know what? It is just not possible. Of course when I sold the properties I was advised it simply would not be my problem any more. The land was marketed to developers with the potential to build six to eight houses.

3490 Now, arguably, sir, the estate agent may have simply not been adequately briefed by the landowner, but when the landowner is us – the States of Guernsey – that is not great, is it? So evidence of GP3 not being as stringent or effective as I thought can be taken when consideration is given to application FULL/2017/069.

3495 Now, pictures speak louder than words, and Members have all been sent the aerial picture from 2016 which shows dense trees, a broadleaf woodland which is now reduced to bare soil, and I am referring to Rue de Mance. We were advised that in this case part of the application site to be redeveloped compromised approximately 4% of the larger ABI parcel. Now my fear is, sir, that allowing any percentage sets a precedent – 4% now, another application could be 5% or 10%.

3500 An ecological assessment was carried out by Environment Guernsey Limited and they concluded that, 'This work could provide opportunity to remove invasive German ivy from the land, which represents a threat to the conservation value of the wider ABI if allowed to spread.' Well, sir, removal of the ivy could have been done without having to build a house on the land! Furthermore the assessment notes that the undeveloped remainder of the application site could be enhanced with appropriate planning of native species, trees, shrubs and hedging.

3505 So it could be enhanced and by the end of the first planting season things could be planted – but what after that? Just how long will it take for another tree to become established? And of course, then, which trees we are planting – although native – may undermine the foundation and not be a reasonable expectation that a dwelling is now being built there. It was concluded by subjective interpretation of GP3 meaning it was considered there would be appreciable benefit albeit small at this stage, and the principle of residential development on this part of the ABI is

3515 therefore *acceptable* in accordance with GP3. A small, appreciable benefit but quite how big is the detriment? That, sir, is not noted.

We have all had areas brought to our attention by concerned members of our community; areas of our Island that previously had some form of protection but now appear to have none. The ... Nature Reserve used to have classification of SNC1 Site of Nature Conservation Importance. 3520 It was considered as being one of the most vulnerable and of sufficient importance to warrant an inclusion as SNC1, but it now appears to be undesignated. This means there is no protection of GP3 or as a site of special significance.

Of course as I said, sir, green field sites are wider than housing allocation areas as they also include curtilage creep; GP3 does not cover curtilage creep either.

3525 Now, sir, between April this year – a little bit of research, many hours spent – and June, so just three months, there have been 16 permissions granted regarding a change of use from agricultural or horticultural land to domestic garden or light industry; 20 other sites are pending a decision, whereas there have actually been two refused. So 16 granted, 20 waiting but we have managed to refuse two. That is a lot of green land lost.

3530 There is also concern over agriculture priority areas – APAs. A recent application FULL/2018/2727 relates to a conversion of a packing shed to a dwelling that requires an associated area of domestic land to serve the dwelling and the site *is* in an APA. The majority of the proposed associated domestic land will be located on an existing area of hard standing and the overall size of this domestic land is not apparently unreasonable.

3535 Of course reasonableness is subjective. Further, the application that is supported is supposed to create an additional parking space to serve the additional property that will be built on the APA. It concludes, by removing a packing shed and building a one-bedroom property would not result in any significant loss of agricultural land. Now I struggle to see how building a house surrounding it with domestic curtilage and car parking on APA will not result in a loss of 3540 agricultural land. I consider a one-bedroom house and parking is significant and I am concerned that it sets a precedent to use more APA land for domestic dwellings.

Now Proposition 2(f), sir, relates to the Guernsey Housing Market Review and asks the DPA to include recommendations as to how it is best to bring forward the review of land planning supply for housing and employment. Basically we are asking the DPA, can we do this any earlier?

3545 Lastly, sir, it asks the DPA to consider how development of community plans can be stimulated and supported but also, this is crucially important, how or if the DPA recommends community plans could have more influence on planning applications. Currently I believe they can be treated as supplementary planning guidance.

3550 Now, sir, I have heard expressions of interest in creating community plans from environment groups and Douzaines and even Deputies, but they are all struggling to get the support they need. Not only that but they are also concerned as to what actual effect all the time and effort required will result in. Will community plans have any meaningful influence over the planning process?

3555 Now I spoke to this nine months ago during the AMR debate and some guidelines have been created, but whilst the aforesaid groups are busy reactively trying to submit representations to draft development frameworks, and amended draft development frameworks, and planning permissions they are finding it even harder to try to think proactively and create community plans. Many also consider the interpretation of some of the policies in the IDP are not being implemented as they thought they would and are hopeful of some policy adjustments before they 3560 commit their time and energy to trying to create a community plan.

3565 Now, sir, what your petitioners are seeking is not simply the DPA to hold workshops to highlight or advise on community plans. That may be part of the solution but your petitioners also wish for consideration and recommendation to be returned to this Assembly as to how any such plans could effectively influence the planning process. It could potentially be a lot of work and disingenuous as they currently could only result in supplementary planning guidance. This is not addressed by simply advising our community that they can create a community plan.

3570 Now, sir, I asked planning officers to advise me on the cost of Proposition 2. They, not me, sir, said the £200,000 with an additional £100,000 for resources including additional work in relation to community plans. They suggested two FTE – full time equivalents. So it looks like there is not the existing resource to support community plans, sir, currently in the Planning Department. This is evidenced by members of our community waiting for prolonged periods of time after making inquiries referencing community plans; there is evidence that in fact not one, sir, has been drafted in the three years to date of the IDP.

3575 So it appears to me, sir, that we enacted the IDP, we enacted the potential for community plans but did not resource it. We enacted the development frameworks and did resource them, at least in part. I suggest that if the threshold of development frameworks were increased or if development frameworks were removed in their entirety then surely, I mean logically, and I am going to criticise the logic, that could free up existing resource to help support our community in creating community plans. It is not very balanced is it, sir – 26 development frameworks either
3580 complete or being drafted but no community plans?

In conclusion sir, the Requirants are asking the States to give direction to DPA as to where charges in planning policy are needed by means of debate before the end of this term, not leaving it for the next Assembly who will have to get to grips with planning policy from scratch again before they are ready to make decisions like this.

3585 So Proposition 3, sir, this directs the Policy & Resources Committee to reconsider the quasi-judicial nature of the DPA and its position in the planning decision making hierarchy as well as whether the DPA should have the ability to take a broader range of facts into account into its decision making, more or less political judgement into the work of the DPA.

3590 Now, in P&R's letter of comment they have suggested that an independent governance report may achieve the aims of this Proposition. I am not sure that it will address the issues raised by this Proposition but I invite P&R to set out their intention clearly during this debate. My expectation is that P&R will co-ordinate a review of the role and function of DPA which will address the powers given to DPA in Law and the interaction from the DPA and the Planning Tribunal. This we believe is a political decision and not something a governance report could resolve; but I look forward to assurances from P&R in this regard.
3595

I will move swiftly on to Proposition 4. This Proposition seeks to integrate the review of the Strategic Land Use Plan, SLUP, into the P&R Plan process in order to align it with the States' strategic objectives to reconsider the cycle of reviews and updates to enable meaningful debate within each States' term. So we now do the IDP 2016, we will then have a five year review in 2021 and 2026; we had a housing needs debate in 2017, we had a newly elected Government in 2016, we will have another in 2020 and again in 2024. The five-year cycle of the IDP is out step with the four-year cycle of the States and does not support informed decision-making.
3600

3605 Now P&R need, in consultation with the Environment & Infrastructure Committee, the DPA and SACC, the Rules Committee, to try to align some of these reporting dates, cut down duplication and allow us to receive the information in a timely manner, so that we can have meaningful debate within each States' term. And we have already recognised the DPA should now be included in the future P&R updates, now we need to bring everything else in line.

3610 Now, if no alignment is achieved is could mean that a newly elected Government will be debating the P&R Plan within months of being elected. For example, if a successful motion to debate the Annual Monitoring Report and there will be no meaningful opportunity for informative engagement with the IDP late in the political cycle either.

3615 So at last, sir, we move on from sustainability to natural justice in Proposition 5. At last, Environment & Infrastructure and Policy & Resources are willing to support this Proposition. Now, this Proposition is directing Environment & Infrastructure to bring a policy paper to the States by April 2020 on third-party representations in the Planning Tribunal process.

This is one that many members of our community have either assumed they already have a right of appeal, or desperately want one. Currently, any third-party representative who is not satisfied with the decision of a Planning Tribunal may seek to challenge that decision through a

3620 judicial review before the Royal Court. But at what financial cost? I have been told £5,000 to
£10,000 just to even investigate it in the first instance, and I am also led to believe there have
been cases with expected costs in the region of a quarter of a million pounds. So not for those
without deep pockets then. However, a developer has the right to address the Appeals Tribunal
and to make an application to appeal; anyone else has to be invited. So the developer can appeal
but no-one else.

3625 In brief, sir, the Requéants are directing E&I to bring a policy paper to the States that will
strengthen the rights of third parties to be heard in the appeals process and we are pleased that
E&I have confirmed they are willing to do so and that it should not require any additional
resource to do so. So we thank E&I for this.

3630 Now, Proposition 6 seeks to ensure that all the relevant Committees of the States are
consulted in relation to trying to resolve the blockages to the site commonly referred to as Leale's
Yard. It is trying to kickstart the regeneration of The Bridge area; the opportunities are immense.

3635 Now your petitioners, sir, believe The Bridge area which spans two of the most densely
populated parishes in our Island needs immediate investment and regeneration. We can debate
exactly how when we go to the P&R amendment, but it is time to recognise that if we want to
progress this important area the States *may* have to make the first move. (*Interjection*) Thank you,
Deputy Gollop.

3640 Lastly, sir, Proposition 7. Now, this directs P&R to find sufficient resource to enable the work
set out in the previous Propositions to take place. Now oddly, sir, P&R in their letter of comment
state that they support some of the Propositions but they say do not support the Proposition
which is the resourcing element. So States agree policies but do not resource them, meaning
financially strangle them. Now, how odd for a Policy & Resource Committee. I thought that was
the whole reason that they exist, to match policy with resource.

3645 We asked for a breakdown of costings per Proposition so that Members could vote in the
knowledge of the potential cost implication per Proposition, so that we will all have an indication
of what the financial costings are. The figures we have included are those provided by officers of
the relevant Committees, so it is reasonable to expect they should be reliable. Of course, they are
only the financial costs and do not consider the cost of doing nothing. We asked officers but it
appears that P&R must have asked different officers as their costs are different.

3650 Sir, I know this will be a long and difficult debate with strong opinions on all sides. I know that
all Members are just trying to do the best for our community. (**Severall Members:** Hear, hear.) I
sincerely believe the best way to ensure that we continue to have an Island environment which
promotes the quality of life we all cherish is to vote for the Requête, and I ask Members to do so
also.

Thank you, sir.

3655 **The Deputy Bailiff:** Members of the States in accordance with Rule 28 paragraph 3, I turn first
to the President of the Policy & Resources Committee, Deputy St Pier, for any comment he wishes
to make on behalf of the Committee.

3660 **Deputy St Pier:** Sir, I am not going to make any substantive comment at this point in the
debate other than to draw Members' attention to a very comprehensive letter of comment from
the Policy & Resources Committee which is obviously appended on the letters of comment as
well. The Committee intends either myself or a Member of the Committee, to respond more
substantively to the debate at a later stage, sir.

3665 **The Deputy Bailiff:** Thank you very much.

The next Committee President to whom I turn is Deputy Brehaut, on behalf of the Committee
for the Environment & Infrastructure. Do you wish to say anything at this stage Deputy Brehaut?

3670 **Deputy Brehaut:** Not at this stage, sir.

There are two Propositions that give E&I a direction; again, both our submission to P&R and their letter of comment cover off those points fairly thoroughly, sir.

3675 **The Deputy Bailiff:** The next Committee where there is a letter of comment that is appended to the Policy & Resources Committee's letter of comment is the Committee *for* Employment & Social Security. So I turn to the president Deputy le Clerc for anything she wishes to say.

3680 **Deputy le Clerc:** Thank you, sir.
I have nothing to say at this point.
Thank you.

3685 **The Deputy Bailiff:** The next Committee where there is no letter of comment but there was consultation is the committee for Economic Development. Deputy Parkinson is that going to be you or Deputy Dudley-Owen?

Deputy Parkinson: I think it will have to be Deputy Dudley-Owen, sir ...

3690 **The Deputy Bailiff:** Deputy Dudley-Owen, you have been thrown a fast ball here. Is there any comment you wish to make?

Deputy Dudley-Owen: No comment to be made at this stage but maybe later on in debate.
Thank you.

3695 **The Deputy Bailiff:** Thank you.
Finally the Committees that were consulted included the Development & Planning Authority, so I turn to the President Deputy Tindall and invite any comments she wishes to make.

Deputy Tindal: Again, sir, I will comment in general debate. *(Interjections and laughter)*

3700 **The Deputy Bailiff:** The next step after that opening will be to invite Deputy Dudley-Owen whether she wishes to move her amendment now.
Deputy Dudley-Owen?

3705 **Deputy Dudley-Owen:** I do wish to move my amendment. However, my speech is too long in the time left available.

3710 **The Deputy Bailiff:** Can you start it now, please. It is as near to 5.30 p.m. as possible, it is not yet 5.30 p.m. so if you go past 5.30p.m ... You will continue, please.
Do you wish to have the amendment read by the Greffier?

Deputy Dudley-Owen: Yes, please. *(Interjection)*

The Deputy Bailiff: Greffier.

3715 **The Greffier:** To add an additional Proposition 9.
a) To direct the Committee for Environment & Infrastructure to create a Tree & Woodland Strategy for Guernsey.

3720 b) For a review to be undertaken by the Development & Planning Authority of the existing legal framework for the protection for trees, including Tree Protection Orders and planning conditions, making appropriate recommendations for any required legislative amendments to the 2005 Land Planning & Development Law and related Ordinances, to ensure that greater protection is afforded to individual trees and woodland where they make a positive contribution

to amenity value. Such review to be guided by relevant recommendations made in the Tree & Woodland Strategy.

3725 **The Deputy Bailiff:** Deputy Dudley-Owen.

Deputy Lowe: Sir, may I, before you call Deputy Dudley-Owen? I am very conscious that some Members have had to leave and are about to leave because there are meetings taking place, and this is really important this debate because it affects everybody across our community.

3730 Could I suggest that we do adjourn until tomorrow morning, please, and we start straight away with Deputy Dudley-Owen's amendment?

The Deputy Bailiff: Members of the States, I will put to you the motion that we adjourn now rather than at least letting Deputy Dudley-Owen open in respect of this amendment. Those in favour; those against.

3735

Members voted Pour.

The Deputy Bailiff: In that case we will adjourn now and start at 9.30 a.m.

The Assembly adjourned at 5.25 p.m.