THE STATES OF DELIBERATION

Of the

ISLAND OF GUERNSEY

30 September 2026

Proposition No. P.2026/49

Policy & Resources Committee

TAX REFORM 2026

AMENDMENT

Proposed by: Deputy H Camp
Seconded by: Deputy G Collins

To insert the following additional Proposition:

1. To agree that tax reform shall be supported by a Whole-Government Economic Plan to strengthen Guernsey's sustainable revenue base and inform future taxation requirements, while supporting prosperity, wellbeing and long, healthy and fulfilling lives.
   a. To direct the Committee for Economic Development, working with the Policy & Resources Committee and all other Committees of the States, to submit the Plan to the States for approval targeting 30 June 2027 but by no later than 31 December 2027, setting out:
      i. the principal barriers to sustainable economic growth, productivity and improved living standards, including the effects of taxation and other government policies and costs;
      ii. a prioritised programme to address those barriers, with responsible Committees, delivery milestones, resource requirements and measurable outcomes;
      iii. opportunities for public services, including healthcare and education, to support economic prosperity alongside their social purposes, through improved outcomes, effective use of resources and assets, and appropriate partnership and income-generating activity; and
      iv. the expected contribution to public finances, distinguishing wider economic benefits from savings and income available to the States, and identifying uncertainties and implications for future taxation.

   b. To direct the Committee for Economic Development to maintain and coordinate delivery of the Plan, and all Committees to contribute within their mandates, provide progress information and work together to resolve dependencies and barriers, with unresolved matters requiring a States decision brought before the Assembly.

   c. To direct that delivery of the Plan shall be integrated with the Government Work Plan, Committee Work Plans, Major Projects Portfolio and annual Budgets, using existing resources and reporting arrangements wherever practicable.
      i. To agree that the Plan shall preserve existing committee mandates, project approval requirements and financial controls, and shall not itself authorise expenditure.

d. To direct:
   i. the Committee for Economic Development to publish six-monthly progress reports following approval of the Plan, covering delivery, outcomes, expenditure, material barriers and corrective action; and
   ii. the Policy & Resources Committee to explain in subsequent annual Budgets how the Plan is supported, any material priorities left unfunded, and the evidence for any anticipated financial benefits included in its forecasts.

e. To direct the Policy & Resources Committee to include in the 2030 assurance review (or such other review or report that may be approved by this resolutions) an assessment of the Plan's delivery, the effectiveness of its coordination arrangements and its implications for the scale, composition and timing of any further taxation proposals.

Rule 4(1) Information

a) The propositions contribute to the States' objectives by furthering and putting a practical application to the resolution approved as part of the Government Work Plan ("GWP"), which set out that, in setting priorities, sequencing work and allocating resources under the GWP, committees should have regard not only to policy objectives and fiscal constraints, but also to the impact of proposed actions on economic activity, productivity, labour participation and the Island's longer-term economic capacity, and where delivery of super priorities involves trade-offs with economic competitiveness or growth, those trade-offs should be explicitly identified and considered.

b) In preparing the proposition, it has not been shared with the Policy & Resources Committee and the Committee *for* Economic Development prior to lodging, an oversight owing to IT issues.

c) The proposition has been submitted to His Majesty's Procureur and HM Greffier for advice on any legal or constitutional implications.

d) The financial implications to the States of Guernsey in carrying out this proposal are designed to be net positive, through introducing some new revenue-raising measures whilst also recognising that there will be costs to their implementation and administration and also to the investigative items contained herein.

Explanatory Note

This amendment provides a continuing means of coordinating the economic contribution of government policies, services and expenditure. Its purpose is to strengthen the sustainable revenue base and ensure that future taxation decisions are informed by a programme with clear responsibilities and measurable results.

Tax requirements depend on the economy's capacity to generate revenue and the cost of providing public services. Housing, skills, healthcare, energy, infrastructure and regulation all affect that balance. Their effects cross committee boundaries and need to be considered together.

The Committee for Economic Development would be ideally placed to lead and maintain the Plan. Policy & Resources would retain responsibility for financial planning, while each Committee would remain responsible for delivery within its mandate. This gives economic co-ordination a defined owner without concentrating further responsibilities in P&R or creating a new committee.

Prosperity, wellbeing and long, healthy lives are mutually supporting objectives. Healthcare and education have intrinsic social value and also contribute to workforce participation, productivity and economic resilience. The Plan should recognise both.

It should encourage a commercially informed approach to public resources; understanding full costs and outcomes, using assets and expertise effectively and assessing opportunities for partnership and additional income. This includes considering appropriate incentives for improvement, such as reinvestment of verified gains, subject to States approval and expenditure controls. Proposals must protect service quality, equitable access and statutory obligations, and account for financial risk and capacity constraints. Commercialisation is not a presumed outcome.

The Plan would connect and inform existing government planning and investment arrangements. It would identify gaps, dependencies and conflicting priorities, with proposed changes submitted through the applicable approval processes. Its preparation would not suspend existing approved work.

The amendment does not assume that growth will remove the need for expenditure restraint or additional taxation. It requires expected benefits and uncertainties to be stated clearly, and aspirations to be distinguished from evidenced fiscal forecasts.

The proposed target of June 2027 deadline would allow the Plan to inform the 2028 Budget and delivery ahead of the 2030 assurance review. That review would then assess the results of an economic programme (potentially implemented alongside tax reform), together with the remaining funding requirement.