

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

3rd November, 2026

Proposition No. P. 2026/82

Policy & Resources Committee

The States of Guernsey Annual Budget for 2026

AMENDMENT

Proposed by: Deputy A Sloan
Seconded by: Deputy H Camp

To insert two additional propositions as follows:

- “1. To agree that maintaining and improving Guernsey’s economic competitiveness should be a core consideration in the development of the States’ fiscal policy.
2. To amend Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees by inserting an additional sub-paragraph as follows:
 - (g) in the case of the annual Budget and all propositions referring to taxation, public expenditure public borrowing or other fiscal policy matters, an assessment of the likely implications of those proposals for Guernsey’s economic competitiveness, including, where relevant, their effects on business costs, investment, employment, productivity and Guernsey’s relative attractiveness as a place in which to conduct business. The extent of the assessment shall be proportionate to the nature of the proposals and, where no implications are reasonably anticipated, a Statement to that effect shall be sufficient.”.

Rule 4(1) Information

- a) The proposition contributes to the States' objectives and policy plans by making economic competitiveness an explicit consideration when developing the annual budget and substantive fiscal policy proposals. It does not prescribe specific fiscal policies or constrain States' discretion in determining taxation, expenditure or borrowing decisions.
- b) In preparing this proposition, a copy was sent to the Policy & Resources Committee.
- c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) There are no financial implications to this amendment
- e) Drafting advice has been sought from the States' Greffier.

Explanatory Note

The purpose of this amendment is to make the maintenance and improvement of Guernsey's economic competitiveness a core consideration in the development of fiscal policy, and to require that the annual Budget and all substantive fiscal policy proposals be accompanied by an assessment of their implications for economic competitiveness.

Guernsey is a small, open economy whose prosperity and fiscal sustainability depend on its ability to attract and retain businesses, investment, employment and economically active residents. The competitiveness of the Island's economy is therefore fundamental to its long-term economic and fiscal position.

The annual Budget is the States' principal fiscal policy instrument. Decisions on taxation, expenditure and public borrowing can have consequences that extend beyond their immediate effects on public finances, including implications for economic activity, investment, employment, productivity and the future sustainability of public revenues. The amendment seeks to ensure that these wider economic consequences are explicitly considered and presented to States Members alongside the financial and other implications of fiscal policy proposals. The requirement would apply to the annual Budget and to all propositions containing substantive fiscal policy proposals, including those relating to taxation, public expenditure and borrowing.

The assessment would be proportionate to the nature of the proposals. The amendment does not require detailed economic modelling in every instance, but it does require an

explicit consideration of competitiveness. Where no implications are reasonably anticipated, a statement to that effect would suffice.

The requirement is one of transparency and informed decision-making. It would not prevent the States from approving proposals that may have adverse implications for competitiveness where other policy considerations justify them.

The principle underlying this amendment is not new. Deputy Sloan proposed a substantially similar proposal as Amendment 59 to the Tax Reform proposals the States considered earlier in 2026, and Deputy Camp seconded it.

The proposers consider that the question of Guernsey's economic competitiveness, and the extent to which the implications of major fiscal policy decisions for competitiveness should be formally assessed, was directly relevant to that debate. Indeed, given the scale and significance of the tax reforms under consideration, it was precisely the sort of issue that warranted explicit consideration by the Assembly.

The proposers consider this regrettable. The absence of a debate should not be mistaken for a rejection of the proposal. The 2027 Budget provides an appropriate opportunity to address that omission. It is particularly relevant that the States should consider this requirement in the context of its annual Budget, given the direct relationship between fiscal policy, economic competitiveness and the long-term sustainability of the public finances.