



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Friday, 16th December 2022**

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Alderney Representatives S. Roberts and E. A. J. Snowdon

**The Clerk to the States of Deliberation**

S. M. D. Ross, Esq. (States' Greffier)

**Absent at the Evocation**

Deputy T. L. Bury (*indisposée*); Deputy C. P. A Blin (*relevé à 9h 42*);  
Deputy C. N. K. Parkinson (*relevé à 9h 42*); Deputy L. S. Trott (*relevé à 9h 53*);  
Deputy A. W. Taylor (*relevé à 9h 53*); Deputy A. Kazantseva-Miller (*relevée à 10h 25*);  
and Deputy J. P. Le Tocq (*relevé à 10h 41*)

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# States of Deliberation

*The States met at 9.30 a.m. in the presence of  
His Excellency Lt Gen Richard Cripwell  
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE BAILIFF *in the Chair*]

## PRAYERS

*The States' Greffier*

## EVOCATION

# Billet d'État XXII

## POLICY & RESOURCES COMMITTEE AND STATES' TRADING SUPERVISORY BOARD

### 3. Alderney Airport Runway Rehabilitation – Debate continued

**The States' Greffier:** Billet d'État XXII, the continuation of the debate.

**The Bailiff:** Deputy Helyar.

5

**Deputy Helyar:** Thank you, sir.

I thought it would help to speed debate to let Members know that there is another amendment coming and the reason for it is hopefully, not to curtail, but to shorten debate on this particular amendment that we are on at the moment.

10

I think it is fair to say that most Members are quite interested in cutting the costs of the PSO and I share that concern. That is something we should all be concerned about, particularly in light of the debate that is coming in January. The problem that Policy & Resources has, and I think STSB as well, is that this particular amendment places the States in a position where it would effectively be instructing us to go and breach a contract with one of our own companies, Aurigny Ltd, and that is obviously quite a difficult thing to do from a negotiating perspective. But it also sets potentially a harmful precedent for the future.

15

So whilst we acknowledge that the costs need to be cut, we think there is a better way of doing it and that the amendment will effectively say, 'These are the negotiating guidelines we wish you to apply to renegotiate the PSO for the next couple of years and also when it is renewed.' That takes into account, in our view anyway, the concerns that are expressed in this particular amendment and hopefully in a way which makes it easier for us to carry out more at arm's length, in terms of telling a company that we own what to do, which is not always the best way to do it. You certainly will not

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find that you get a very compliant, or indeed find volunteers for a board where it feels that the States will just simply pass resolutions telling it what to do.

25 So I thought I would let Members know that early on in this debate so that perhaps we could bring this particular amendment to an early close, but I also wanted to make a few comments more generally about the relationship with Alderney, because it is part of my responsibility. And there has been an awful lot going on in the background.

30 Deputy Trott unfortunately is not here. Deputy Trott regularly likes to bring up the issues of the balance of payments, effectively, with Alderney. We all know that problem exists. When I took on the role of liaison with Alderney through the Bailiwick Council and, indeed, with Sark, it became apparent to me that these views have been expressed for many years without any real change in the relationship. So that needed a different approach because the approach we have been taking, potentially for decades, really – it is a 74-year-old legal agreement – has not moved on. And the  
35 best way in which to achieve that, in my personal view, because it was my role to do that, was to build a stronger relationship.

I have been extremely lucky, because the COVID situation led to the Bailiwick working together much more sympathetically and strongly in order to support one another. There is much more community engagement and mixing and understanding of respective problems, and that has helped to build a springboard for the discussions that we have been having.

40 It has been relatively secret, but certainly it is in the Government Work Plan that a Bailiwick Commission is an important thing to do to look to our constitutional relationship because that is something ... We are in a position at the moment, because of the legal situation. Because of the 1948 Agreement, Guernsey cannot legally withdraw that Agreement unilaterally. We have to negotiate it and to have a negotiation you have to have a friendly relationship, but one where you can have a really direct conversation and that is the relationship that I, and Deputy Ferbrache, have been trying to build with our colleagues, some of whom are in the public gallery today.

45 We have had quite a direct conversation, and I am very grateful His Excellency is here today because he has assisted in, not necessarily refereeing, is perhaps not the right way to put it, but certainly facilitating those discussions, which have included representatives from Sark *and* Alderney and Guernsey at a high level to look at those issues that we can approach with a view to doing things better.

50 Because we have a problem of scale and the scale differences we talked about yesterday in terms of Deputy Burford's amendment, they are absolutely correct. We have problems of scale from the UK to Jersey, from Jersey to Guernsey and as we go down the numbers of population, they get even more difficult in Alderney and they become more difficult again in Sark. It is perhaps part of the reason why we have such limited political engagement in Sark and Alderney, because their jobs as political representatives in those jurisdictions are becoming ever more complex and ever more problematic and time consuming.

60 So it is with a view to trying to find a way to build a new relationship that we have been having these discussions, because Deputy Trott ultimately is right, those numbers are correct, but if we want to change them we have to understand the problems of the other jurisdictions that we deal with and we have to help them with the complexity of the things that they have to do. Because one of the problems that those two smaller jurisdictions have is they are having to replicate all the stuff  
65 that we are doing at this end, in the same way that we are having to replicate all of the complexity that we see from FATF and all of the international organisations that want us to change things and to come up to international standards.

70 So the biggest number out of that £9-million deficit which we talk about is health and Deputy Brouard and those Members who have sat on HSC know very well the complexities of that and that is not least because of the ageing demographic in Alderney, which is even more concentrated than in Guernsey, certainly as Guernsey will be.

So we have been dealing with those issues and I wanted to reassure Members that there are in-depth conversations going on. In January, we will be able to issue a paper which tells you how we have identified those issues, what we plan to do with them and how they may help to provide

75 resilience across those jurisdictions. Because whether we like it or not, if things fail and go wrong in Sark and Alderney, it is down to us to fix it. So if we build a more co-operative, resilient system, which costs less money hopefully, by not replicating the same duties and obligations in different jurisdictions, then that is better for everybody. That is what we are trying to work towards.

80 One of those in particular, so just to give an example, citizenship. We just had a population debate. Alderney has different rules to Sark, Sark has different rules to Guernsey. But one of the strange things, we were talking about population growth, children in Alderney and Sark do not have the right to live in Guernsey. So they come here to be educated and then they have to leave. And if they do not want to live in the Islands where they were born, they have to go somewhere else. They cannot live here. It is a ridiculous situation.

85 So one of the things we need to look towards, for example, is having unified rules for population management, unified rules of citizenship, potentially, because we are losing young people, not just from Alderney and Sark, but from the Bailiwick altogether, who could be living here to do their training and to go into work and then perhaps move back. Those people are being lost altogether to the Bailiwick, permanently.

90 So there is a lot of work that needs doing across health, education, connectivity, citizenship, and all of the other things. Economic development as well, looking at unified tourism strategies, all of the things that we could be doing together to save money across the whole piece. But there has to be a bit of give and take, because the problem that we have is this imbalance between legal requirement to provide services – and that is what we are really talking about here – against the responsibility for maintenance and for looking after them and so on. There is an imbalance at the moment. That does need to be corrected and that will require a change in our constitutional relationships.

100 Those discussions, they need to be had in a small room to start with before we can share them with everybody, and that is what we are hoping to do early in the New Year, but I just wanted to reassure Members this is not something that is just being left in the background to drift. There is a lot of work that has been going on in order to try and get to a starting position and I think that that better and stronger relationship that we have will lead, hopefully, to more resilient communities in all of the jurisdictions and longer-term savings.

Thank you.

105 **The Bailiff:** Can I deal first with Deputy Blin and Deputy Parkinson and ask them if they both wish to be relevéd?

**Deputy Parkinson:** Yes please, sir.

110 **Deputy Blin:** Yes please, sir.

**The Bailiff:** Deputy Prow.

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

I wish to speak to the amendment, but in doing so, sir, I fear I will stray into general debate, so I will give you assurance I will not speak in general debate, which will disappoint Deputy Ferbrache because he tells me he loves my speeches.

120 Sir, I have listened carefully to all the presentations provided from officers from Alderney and the Alderney Chamber of Commerce, and to all the debate so far in this Assembly. It is essential, for me, as this is a capital request to maintain a piece of important infrastructure, to ensure that it remains fit for purpose. In considering all the material, I have set myself several top-line considerations that I need to resolve before I vote.

125 The first is a cost-benefit test. Has the runway exceeded its operational life? Is the proposed reconstruction C+ project vital to avoid the escalating maintenance and operational risk? Does the

runway and the airport need significant improvement, irrespective of which option is provided? Sir, it is clear to me that P&R and STSB believe that C+ passes that test and have provided us the case.

130 The second: is the proposed solution a better cost-benefit option than the other ones provided? Again, I have noted the investment objectives 1 to 8 on pages 9 and 10 of the policy letter, which are *more* than helpful. And indeed, the unavoidable associated costs over 15 years outlined in table 7 and at 5.5, which supports the case. The States have historically not invested sufficiently in key infrastructure or provided sufficient fiscal provision to do so until that infrastructure is falling apart.

135 The third is much trickier. This is the current fiscal climate, and is the investment justified and in the best interest of *all* taxpayers in Guernsey and Alderney? It is a difficult one for me and it is complex, but cannot be avoided. It is not about whether I support Alderney, because I do. Neither for me is it solely about the interests of the Guernsey taxpayer. This point was well-covered in Deputy Ferbrache's opening. Certainly, there are benefits in potentially reducing the operational costs of Aurigny and an opportunity to rationalise their fleet. This is again well explained.

140 However, I ask the Assembly to consider around the content of Proposition 2 in this regard the arrangement to secure the capital funding. It talks in terms of negotiating with Alderney to secure that funding and to update the operational relationship. Perhaps to endorse my difficulty remarks, it directs that 'if a reasonable and robust agreement cannot be reached' the matter will revert back to the Assembly. Where I am seeking more clarity is about the extent and reach of that negotiation, and I found Deputy Helyar's speech, which I am following on from, extremely pertinent and helpful  
145 in this regard. The Proposition does not mention the 1948 Agreement, however the policy letter does at sections 7.5 and 7.6.

For me, this capital investment policy brings the 1948 Agreement into sharp focus. It is a fiscal arrangement made 74 years ago and in the words of the policy letter, where:

the concepts ... such as "airfield", "policing" and "healthcare" will have evolved in complexity

150 It is not only that, the costs have escalated. As Deputy Inder has said in his opening to this amendment, this is now the time for those difficult conversations and Deputy Helyar has, again, endorsed this.

I further note that in section 8, the allocation of the Alderney Public Service Obligation, that the States of Guernsey hold the risk which requires a subsidy of £2 million per year. The annual cost of the airfield – at 8.5 we are told – is £3.3 million. With regard to access to transferred services, I note  
155 that Alderney does *not* have the equivalent of Guernsey's Population Management Regime and I am extremely pleased that Deputy Helyar has mentioned this and brought this into this conversation.

160 Alderney's current restrictions are solely employment rather than residency based. Effectively, provided individuals have the relevant immigration permissions, they would be able to move to Alderney and reside without restriction as long as you do not work. There is not a level playing field (**Several Members:** Hear, hear.) as to who can benefit from accessing services across the two Islands. (*Interjection*)

165 Another area where I was hoping to find some comfort was in the news that the States of Alderney were considering a contribution and although that has been confirmed by Deputy Roffey, and I thank him for that, and by a decision in the Alderney States, I did note with great interest the many emails and a presentation on behalf of Alderney business. And I thank them for that. I completely understand how a viable air service and the infrastructure is so important to the Island's economy. I did however note that some of those had only been in Alderney for a short time and  
170 therefore not contributed a great deal to the Treasury.

I also completely acknowledge the so-called fiscal union. What I did not hear in that correspondence was any substance in the offer of Alderney making a contribution to a project which has a very significant benefit to the Island of Alderney. The policy letter at paragraph 8.6 did not help either. It merely confirms the willingness. However, as I have already alluded to, Deputy Roffey  
175 has confirmed the commitment by the States of Alderney of £3.5 million. However, Deputy Trott in

his speech pointed out what he described as a smoke and mirrors element to it. I would really, in some stage in summing up, perhaps like a bit of scrutiny around how, in reality, the States of Alderney are going to stump up this £3.5 million.

180 So sir, in conclusion, I would go as far as to saying that this policy letter request for £24 million, that the fiscal union and the concept of transferred services has now reached a crossroads. It is time for both Alderney and Guernsey (**Deputy Inder:** Hear, hear.) to wake up and smell the coffee. (**Three Members:** Hear, hear.) The 1948 Agreement needs urgent, drastic revision and wider government considerations, as Deputy Helyar has outlined, are required.

185 For the avoidance of any doubt, I will say this: in my time in the States, the population of Alderney are superbly represented by their two Representatives in this Assembly and I am glad to see them back. It is for the States of Alderney as a whole and P&R to get to grips with these challenges without delay.

190 So sir, I would like a bit more persuading around the issues I have outlined, and particularly about Proposition 2 and how that will tie into the discussions Deputy Helyar very helpfully outlined around the 1948 Agreement. But I do still support this amendment. I am not put off by Deputy Roffey's remarks to it so far, which is a bit scaring the horses. It appears to me, if Alderney's economy is so brittle that we cannot afford adding £20 say on an air fare, how can we justify the £24 million? (*Interjections*)

195 I would also say that you, sir, were quite right when references to the Bailiwick were made, this debate is around the States of Guernsey and the States of Alderney. But in a Bailiwick context, and where we are talking about constitutional arrangements, I think the question of uncontested elections is a worry and I hope that both the other Islands of the Bailiwick work very hard to ensure that democracy is continued.

200 Thank you, sir.

**The Bailiff:** Deputy Trott, Deputy Taylor, you have arrived. Is it your wish for both of you to be relevéd?

205 **Deputy Taylor:** Yes please, sir.

**Deputy Trott:** Yes. Thank you, sir.

**The Bailiff:** Deputy Brouard is the seconder of this amendment and therefore I will call Deputy Brouard to speak.

210 **Deputy Brouard:** Thank you, sir.

215 I have a dilemma and my object in the next few minutes is to make it *your* dilemma. (*Laughter*) I understand how we got here. Years ago, the losses on the Aurigny routes to Alderney were masked in the accounts of Aurigny and eventually this was outed and we started to hear what the actual figures were – and I have always puzzled why it was not covered by the air fare.

220 But then we used to have something called 'radio phone-ins' on Sunday morning and we had a continuous diatribe of Alderney residents continuously berating Alderney for the terrible service that they were having. And then that, unfortunately, raised the whole spectre of why we were doing it in the first place. I think that is a real own goal for Alderney, was that particular issue. So now we find out it is between £2 million and £3 million that we are subsidising.

I do not have a difficulty with a country deciding to subsidise its airline. But, and I will say this in my main speech, Alderney is not the same as Guernsey. It is a separate jurisdiction. It is not a parish. For me, it is a separate country and I will explain how Alderney got to be Alderney and why Guernsey is Guernsey and why the two are completely different jurisdictions.

225 Alderney could find their own money to run a PSO, I have no problem with that, but just as Deputy Trott says, it is wooden dollars. Because whilst the balance of payments is as it is, it will inevitably be Guernsey that will pick up that tab, however which way that you cut it. The only thing

I could think of is maybe if you introduced some sort of household levy that is just there as a subsidy, £10 per household or whatever it is, and raise a different, additional tax from Alderney. So in theory, we have got a PSO of about £2 million and we have got about 50,000 to 60,000 trips. So that is £33 a head for each trip. If we go down to a PSO of £1.2 million, that is about £20 a leg. So that is two lattes and a coffee.

My dilemma is this, and I do have form for doing subsidies and so does Deputy Trott and Deputy de Lisle, and myself, because we did subsidies when we were in Commerce & Employment to encourage airlines to do different routes. I can understand a subsidy where you are encouraging an airline to do a new route. On top of those giants stand our present Economic Development Committee. So we have form, we have done it in the past, but it has been for a niche reason. This is a continuous subsidy we are almost putting in place and I would like to try and move away from it. Because I struggle. If your business model in Alderney relies on a subsidised air fare, I think you need to question your business model. **(Two Members: Hear, hear.)** It does not work for me.

So randomly I picked some days in May – it is nice and it is between the spring, it is not Easter – and I just looked at a six-night stay at a hotel. I do not do camping very much, I did a little bit of camping this year – not again. But for the last four hotels, two people staying in a room – so it is not a whole family, just two people, in one room, hopefully they know each other *(Laughter)* – £780; £1,140; £780; £1,053. Six nights, Alderney. So we are quibbling as to why we have a £20 subsidy on an airfare.

This is where it really hurts and this is what I just do not understand. Mrs Le Page in Torteval, who would like to visit her sister in Hull, has to save up to do it. In order to pay for someone to travel to Alderney, she has to do 10 more hours of work in the retail shop, at £10 an hour – that will be £2 each hour will go on Income Tax. So she will have to do 10 extra hours of work to pay £20 of Income Tax so that somebody can fly from Solihull to Alderney on holiday! **(A Member: Yes.)** It does not make sense! **(A Member: Hear, hear.)**

And when you look at the actual stats – and this is where it is probably inconvenient truth – take 100% of people who are flying to Alderney for whatever reasons. Half the people, usually, are residents, flying one way or the other. And of that, there is 6% who are second homeowners. So of course, we really need to subsidise second homeowners. Of course we *do not* need to subsidise second homeowners! Some people do not even have one home, let alone two!

Of the half of the Alderney residents, 50% of those people are travelling for medical reasons. Who picks up the tab for the medical transfers? States of Guernsey. So it is wooden dollars, all over again. The remainder half of Alderney residents travelling, they are not travelling to Guernsey to shop in our shops. Guess where they are going? *Southampton*. By the vast majority of Alderney residents, a quarter of the total of the travellers is to Southampton. And it is for leisure. So Mrs Le Page is struggling to save the money up to go to Hull, but the person who lives in Alderney is having a subsidised holiday to see their relatives in the UK. I just do not get it.

The other half of the travel is visitors, and again, why do I, or Mrs Le Page, want to subsidise a visitor going on holiday? I could perhaps, *maybe*, if it worked on the basis that I give a £2-million subsidy and Alderney pay me back £4 million in Income Tax receipts because of it, it would be worthwhile. But it does not work that way. We are going to put in a £2-million subsidy and we will be lucky if we get a few hundred thousand pounds back by way of Income Tax receipts. It does not make economic sense.

I know some people like universal assistance. I think Deputy Roffey would probably fall into that category. I probably like more means tested. If someone needs to travel off Alderney, then they need to be means tested and the Alderney Government needs to help those people. But there is no reason to subsidise holidaymakers. Especially, I do not see why hardworking local people here have to pay more Income Tax so that somebody who has got a second home can fly cheaply to the UK. **(Two Members: Hear, hear.)** It does not make sense. So I am probably against subsidies. I will save the rest for the main speech. But that is the dilemma that we have and I would much rather an honest fare that reflects the true cost of flying the planes to Alderney.

Thank you very much, sir.

280 **The Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Thank you, sir.

Based on Deputy Helyar's statement about a revised amendment addressing this issue, I would like invoke Rule 26(1) on this debate.

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**The Bailiff:** Can I invite those Members who wish to speak in debate on this amendment, and this amendment only, to rise in their places.

Deputy Meerveld, is it still your wish to ...? (**Deputy Meerveld:** No, sir.) In that case, I will call Deputy Vermeulen.

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**Deputy Vermeulen:** Thank you, sir.

I am a friend of Alderney. I am the lead for tourism on Economic Development and Alderney features very large in our current strategy which runs out in 2025, sir. We have a whole of Islands approach and it is imperative that Alderney has a serviceable runway. So that is very important.

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I am worried, sir, that we are going to make a decision on this amendment, or later on if we decide to go for the longer runway, that extra fees are introduced on top of this amendment into Alderney for landing charges. Deputy Brouard, who I have got a huge amount of time for, talked about it being a couple of lattes and a coffee, and, 'What's £20 on a ticket'. Well, price matters, sir. Headline price really does matter. This was brought home to me this year when I really wanted to go to Alderney with my family of three, but when I looked at the cost of travel and the excellent value that Condor provided me taking my car and family to Cherbourg, I chose Cherbourg. I wanted to go to Alderney. So it is really important.

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And Deputy Brouard says, 'Well, what's the point of sponsoring, it does us no good and ...' You have got an airline. You call it subsidy, but it is route development. That is what it really is. So let's go careful what we wish for. Let's go careful which way we vote. If I was operating a hotel, like I did for 43 years, but if I was doing that in Alderney at the moment, I would be quite alarmed at what I am hearing in this debate. I would be quite alarmed indeed.

305

And I would probably be wishing that Option A is taken up, because there are extra costs involved in extra landing charges with a longer runway, and with this amendment succeeding, there is going to be less of a subsidy. So that makes it far more expensive. That is not the business model easyJet follow, that is not the business model Ryanair follow. It is all about price; affordable travel. (*Interjection*)

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If you look at dining out, we have a fantastic Tennerfest that Guernsey has run for many years. I can tell you about the Tennerfest. At a time when our restaurant used to urge to be the best, and price at the highest and Michelin stars and that is what everyone wanted, or we thought that is what everyone wanted. We realised that putting the price up every time, you excluded more and more people.

315

That was brought home to me when a very wealthy person said what a lovely restaurant we had and he really loved coming here but he could only afford to come once a year on his birthday. We changed that business model and we changed it substantially, sir. We had our whole coast road closed and access to the hotel was very difficult. We did casual dining. We headlined casual dining. We almost invented casual dining. We did the impossible: we served meals at £10. We served 14,000 covers in a traditionally very quiet period, October and November, and we made money! And we made money because of all the extra drink sales and the extra wine sales that went with it.

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So if some of the Deputies here were publicans, they would be charging £10 for a pint, maybe the going rate is £5 for a pint and that pub would be substantially busier. The pub charging £10 for the pint, the customers – and this is an important point – go elsewhere. That is the point. I am very worried for Alderney at this moment in time, sir.

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330 **Alderney Representative Snowdon:** Sorry, sir, I should have stood up.

**The Bailiff:** Alderney Representative Snowden.

**Alderney Representative Snowden:** Thank you.

335 I just want to be very quick with this one, if that is all right, because I know time is ticking on, just to say I actually thank this debate happening and I note the points that are raised in it and I appreciate that. I will try and get back on to those points maybe in general debate.

Unfortunately, I cannot support this amendment, because I think it is going too far. However, we do have another amendment that hopefully will be shared with everyone soon. So I thank it for  
340 being brought but unfortunately it just goes a bit too far. But thank you and I understand the intention and very good speeches that we will hopefully get on to a little bit later, responses.

Thank you very much.

**The Bailiff:** As no one else is rising, I will turn to Deputy Ferbrache next to address this  
345 amendment, please.

**Deputy Ferbrache:** Sir, Deputy Vermeulen is a man who knows what he is talking about. As he said, he ran a hotel and catering business with his family for over 40 years and that is the way that business works. Deputy Brouard talked about it was a latte and a couple of coffees – not at  
350 establishments that I am familiar with. You would be able to buy many more than that for your £20, but I appreciate he goes to more expensive establishments because obviously his purse fits that. But in relation to where we are with the business, there is a law of diminishing returns.

Again, our business model in relation to that, we tried it with one of our restaurants, it did not work. We moved away one year from the Tennerfest type thing in October, November. It did not  
355 work. So we reverted to it, and as Deputy Vermeulen says, it is more successful. People think they are getting a bargain. So they will rather spend, say, £20 than £40 or £50 at that particular time. And if you get lots of £20s, you can make some money. So that is the point.

It balances the point made by Deputy Brouard, 'Oh, just add another £20 to the fare.' If Deputy Brouard, with whom I have and in whom I have considerable respect, had spoken to the  
360 Chief Executive of Aurigny, he would be told that there is a tipping point. And that tipping point comes well below the £20 that Deputy Brouard said.

But I was enamoured yesterday by a speech made yesterday by Deputy Queripel, because I talked previously about a conversation that I had last Saturday at lunch with my five-year-old  
365 granddaughter, Matilda, and about the magic of that. I enjoyed that conversation even more than I enjoyed Deputy Prow's speech today. But Deputy Prow's speech today was excellent and he has made the point. Deputy Helyar made the point in the very first speech of today: Alderney needs to move forward from the 1948 Agreement into a new agreement, a new arrangement and realise that the pennies are not there anymore. The pounds are not there anymore. We have to change the current arrangement.

370 Again, I do not want to digress too much, but Deputy Helyar has covered certain of the ground that we have covered with Alderney and Sark in recent conversations over the months. Those details will be further discussed and then made public to the States' Members in about January time, as Deputy Helyar said earlier.

But in relation to that, as it is Christmas, let's just have a bit of a ... Two of the people that I really  
375 like and admire in the States are Deputies Inder and Brouard. They have got two very difficult presidencies and in my view they do them very well. They really do do them very well. But if I was casting a pantomime, I would cast Deputy Inder as Mr Angry. (*Laughter*) I would cast Deputy Brouard as the avuncular, gentle, kind uncle that you sit down, and he has got his grandchildren on his knee, and he is speaking to them. So it is a bit of a strange mix for this amendment, but I understand the  
380 purpose of it.

But we cannot in the future have people coming from, Deputy Trott I think said yesterday from Salcombe, or wherever it may be, into Alderney, or from wherever it may be into Guernsey – but there are more pro rata in Alderney because they have got a greater ageing population – and within

385 a very short space of time, within the blink of the proverbial eye, enjoying our health services without making any, or any substantive, contribution into them.

What we have got to realise is that if we give a licence-holder permission in the future to come and live in Guernsey and he or she brings their parents in and those parents are over a certain age, they have got to be insured. They have got to be insured. If somebody comes to live in Alderney from Southampton or Salcombe, or even Sierra Leone, it does not matter which, and they are above  
390 a certain age, they are going to have to be insured. Because it is wrong for the Mrs Le Pages, whose husbands worked in the greenhouses for 50 years and has paid taxes all their life to have to subsidise those people. I thoroughly agree with that.

But I want Alderney to be a working economy, to be a vibrant economy, to be a 21st-century economy. And the only way it can do that is by having a vibrant, 21st-century airport facility because  
395 that is its connectivity. That is not going to change no matter however much theory we have in relation to that.

So this amendment, well-intentioned, and there will be another amendment shortly, as Deputy Helyar has alluded to, which has been discussed this morning with the Chief Executive of Aurigny, Deputy Roffey and I have discussed it, Alderney Representatives have discussed it,  
400 members of P&R have discussed it. So it will come as an amendment that will be supported by us, but I appreciate Members have not seen it yet, so they cannot say whether they are going to vote for it or not. So we will talk to that when we see it.

That is why I am asking Members to reject this amendment amongst other things, because in relation to it, it talks about the unilateral breaching of an agreement. We entered, we the States of  
405 Guernsey via P&R, into an agreement with Aurigny for a Public Service Obligation contract. That is a legal contract, and legal contracts, whether they are with a state-owned entity or otherwise, should not be unilaterally breached. And indeed, if they are, they could be actioned. I cannot see Aurigny suing the States of Guernsey if we unilaterally change its terms in practical terms, but it would be irresponsible Government.

Because Aurigny were the only show in town, as many of us have said in this series of debates up to now in connection with the PSO. But let's say that it was Blue Islands or ABC Ltd airlines that had had this contract, to suddenly say, 'Well, as from 12 months' time, we're going to change the terms of that contract without discussing it on the floor of the Assembly' would be, in my view, not  
410 only legally indefensible, but it would also be morally indefensible and it would be bad for the reputation of Guernsey. Because you cannot rely on a decision of the States of Guernsey, you have entered into a contract with them and they decide to change its terms without discussing it with you. I do not think that is responsible Government.

My colleague Deputy Trott said yesterday to you, sir, would he be wrong if he called Deputy Roffey a rascal, and you very gently told him that he really should not do that, if I understood  
420 it correctly. But I think that I can say this without breaching any parliamentary rules – which I do not really understand anyway – but in relation to that, that Deputy Trott can be a little imp. (*Laughter*) He can be impish in his comments in relation to where we are. And this point about, well, you know, if the States' proposals, if the P&R proposals, the proposals supported by Deputy Roffey are brought to the States in January in relation to the Tax Review are accepted, then it will be mean that – and  
425 he put it in a more direct form than that – that Alderney will need an even greater subsidy. That is what he said yesterday in relation to that. But when he was asked by a States' Member whether he was going to vote for them, of course he skirted round the edges and danced around the handbags. But I understand that.

But the point in relation to that, and I am not going to go into detail about the tax thing because  
430 everybody in this Assembly has seen it, they have seen the graph that has been produced, and from 55 quartile downwards to zero, people will be better off. But they are not going to be better off by millions of pounds. The idea is we have to raise millions of pounds in tax, so therefore you are trying to protect as much of the community as you can from those tax rises. But it is not suddenly they are going to go out and buy themselves a £60,000 Aston Martin or whatever they may be able to  
435 do. They are not going to be able to do that.

440 So what really Deputy Trott was putting forward were, in my opinion, before anybody objects and says it is incorrect, was the economical principles of a Ruritania. They just were not credible in relation to what we were talking about. Because if, for example, Income Tax is put up, if that is an alternative in January, then that would mean that everybody who pays Income Tax would pay more Income Tax. So that is a decision for another day.

445 Deputy Prow raised the point about, 'Look, Proposition 2 didn't really give much detail' – I think that was a summary of what he said in relation to that – and the reason for that was twofold. Firstly, the date of the publication of the Billet. We did not have those discussions yet with Alderney, so we could not put any more detail than that in relation to the Propositions. And secondly he asked about how realistic – it is a point fairly made earlier in these debates by Deputy Trott – is this £3½ million? Well, it has got to be addressed. They are putting it forward. They are big boys and big girls. They have got to come up with something that is credible in relation to that.

450 But we have got to rely, as I said when I started all of this debate in my brief speech a couple of days ago or so, that we have got to trust them. They are people of integrity. They are people of judgement. They say they can do it. We have tested it, we believe that they can do it. I know that – I am really mixing my metaphors here – the proof of the pudding is in the eating, but we are saying to them, this is what you need to do.

455 This amendment, although very well-intentioned, is flawed because there was no ... I would not expect Deputy Inder to agree with me, he is shaking his head, but there we are. But at least he is calm, (*Laughter*) at the moment.

460 In connection with that, there should have been discussion – and I do not mean it in any pejorative terms –with e.g. or i.e., really, the Chief Executive of Aurigny to say, 'How practical is this?' Because I think if Deputy Inder and Deputy Brouard again, I finish by what I said at the beginning, are people I respect considerably, if they had had that conversation with him, they realise it would not be practical.

So I am asking States' Members to reject this amendment, there is another one that is coming over the horizon shortly.

465 **The Bailiff:** Finally, I turn to the proposer of this amendment, Deputy Inder, to reply to the debate on it.

**Deputy Inder:** Thank you, sir.

470 I was in a Castel School nativity some years ago – I think it was about 1976 – and Deputy Ferbrache is part-right. I was not Mr Angry, I was actually King Herod. (*Laughter*) It was brilliant! I got John the Baptist, I managed to kill all the first born. It was absolutely fantastic! So the serial killer in me was cast very early!

475 But what Deputy Ferbrache said, he say the pennies are not there anymore, but then he goes on to say that this is well-intentioned. We know the pennies are not there anymore. We are going to have that debate in January about the pennies not being here anymore. So it is slightly condescending, I think, to call it well-intentioned, but it is wrong. It is not wrong, it is a brilliant amendment. (*Laughter*) What it does, it saves millions of pounds of general revenue and basically locks the responsibility for a new PSO into a fixed cost.

480 You have been told, you have not seen, you have heard another amendment is coming. I do not think we have had it yet. So here is the good news: after yesterday's bluster from the President of STSB telling us we are all wrong and everyone was going to die, £20, as mentioned by Deputy Brouard, meant Alderney was on a death spiral, quite clearly they have come somewhere towards us and they understand that this has some merit. So it cannot be that awful that the Policy & Resources, or possibly Alderney Representatives, are going to bring an amendment that looks something like this. So it ain't as bad as it looks.

485 What it has also done in this debate, overnight I did hear from the President of Health that we are going to hear at some point from Alderney Representatives their commitment to dealing with some of the transferred services that we really do need to work with. So there is some good news.

490 If nothing else, this amendment, which I hope you all will carry on supporting, because the new amendment can replace this amendment, so if they make a better argument, which I doubt – okay, I am being a bit harsh, it might be a better argument; I still doubt it, actually – you can choose to replace this. But I would leave this in play just in case their amendment is not as good as this brilliant amendment.

495 So going through the responses, and I do not think ... I thank Deputy Gollop for his support early on. I think Deputy Roffey has probably had a better day than he had yesterday because he has agreed with the new amendment. So he has come closer to us. And what did I say when I started? We are in negotiating. It is about real money, this is about hard cash, this is about responsibility and I will not repeat what I said yesterday. So it is in a better place.

500 Deputy Prow, someone else who spends an awful lot of money in terms of our money, transferred services up to the northern Island, he has made mention of the responsibility that Alderney has to work within the bounds of the PIPR. That has been a sore for years and to be fair, Deputy Helyar, he has got a heck of a job. He has got to marshal us as Presidents, try and keep us all happy, try and keep Alderney happy as well, and it cannot be a difficult job.

505 On top of that, we have got a Chief Minister who just does what the hell he wants. (*Interjection*) But joking aside, things cannot run as fast. But what we are hearing, and I think as Deputy Prow has said, that Alderney has to wake up and smell the coffee. And I think, genuinely, Alderney has woken up and smelled the coffee.

510 At the basic level, put the seatbelts on, put the crash helmets on, sort out old people coming from Salcombe, and certainly, it is actually absolutely, Deputy Brouard ... I think I realise where my annoyance at this came: I do remember those days of the two hour, and it was Chris from Alderney. All he would ever do is phone up and have to tell us how *terrible* we were and how grateful we should be that Alderney exists and how awful every taxpayer was for *not* spending more money providing services. And it just does not play well.

515 Whether we like it or not, I understand that Aurigny had to get involved because they have a social model. They do have a social model to try and help the Island. But that kind of ingratitude and expectancy – back to the analogy about the teenager – has been an open sore for many years and it has emanated today.

520 So it does appear that the 1948 Agreement is heading in the right direction and I am actually going to try and help this policy letter in some way. If those revenue savings are *improved* via the 1948 Agreement, it might make more justification with the C+, because it is not just about the £20 ticket, it is about what you can do as an Island. Develop your economy, which you need to do. Whether you can do it or not yourselves, I have got, actually, no idea. It is about the savings that, or rather, the expenditure that Health do not have to send up to the northern Island, or the annoyance that not adopting the PIPR or working with the Island in a more rational basis. So it might be heading in the right way.

525 Members, I am not going to go through it line by line. I do not believe £20 will send Alderney into death spiral. I think that is completely overcooked, as explained by Deputy Brouard, because the problem with that argument, as soon as Deputy Roffey said that, and I think it was either Deputy Prow or Deputy Brouard, why would you go and spend £24 million if £32 is going to send your Island into death spiral? I would not do it.

530 I am willing to move, because we are in negotiation, but the arguments made when politicians take the proposer on, we are not in an opinion column in *The Guernsey Press* anymore. My vote is still my vote. It does not matter what is said to me or how it is said in the States, I am entirely immovable on certain projects. Every single person in this Assembly – you have heard me say it before and I will repeat it again – be you rich man, poor man, beggar man, thief, your vote is vote. So I would be careful, when you have got critical policy letters like this, standing up and telling us off like we are all stupid, like we are all children and we do not know. Your vote is a vote. You are all sentient human beings and you will make your own decisions.

535 So Members, I will delay this no longer. We expect to see this new amendment, but for safety's sake, I would ask you guys to keep this in play just in case their amendment is not better than this.

540 Because this is a good amendment. This puts the responsibility back, in part, to Alderney and it saves cash.

Thank you.

**The Bailiff:** Deputy Kazantseva-Miller, is it your wish to be relevéd?

545

**Deputy Kazantseva-Miller:** Yes, sir.

Thank you.

550 **The Bailiff:** Well, Members of the States, we come to the vote on Amendment 8, which is proposed by Deputy Inder, seconded by Deputy Brouard, which if approved will have the effect of inserting a raft of Propositions that are a pick-and-mix set of options for you. I simply remind Members that even if the amendment is successful, it is possible that none of the Propositions will thereafter be carried.

Greffier, will you please open the voting?

*There was a recorded vote.*

*Amendment 8:*

*Not carried – Pour 18, Contre 18, Ne vote pas 1, Did not vote 1, Absent 2*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Aldwell	Deputy Blin	Deputy Leadbeater	Deputy Taylor	Deputy Bury
Deputy Brouard	Deputy Burford			Deputy Le Tocq
Deputy de Lisle	Deputy Cameron			
Deputy Dyke	Deputy de Sausmarez			
Deputy Falla	Deputy Dudley-Owen			
Deputy Gabriel	Deputy Fairclough			
Deputy Gollop	Deputy Ferbrache			
Deputy Inder	Deputy Haskins			
Deputy Kazantseva-Miller	Deputy Helyar			
Deputy Le Tissier	Deputy Mahoney			
Deputy Matthews	Deputy Meerveld			
Deputy McKenna	Deputy Moakes			
Deputy Prow	Deputy Murray			
Deputy Queripel	Deputy Oliver			
Deputy Soulsby	Deputy Parkinson			
Deputy St Pier	Alderney Rep. Roberts			
Deputy Trott	Deputy Roffey			
Deputy Vermeulen	Alderney Rep. Snowdon			

555 **The Bailiff:** The voting on Amendment 8, proposed by Deputy Inder and seconded by Deputy Brouard, is as follows: there voted Pour, 18 Members; there voted Contre, 18 Members; there was 1 abstention; and 1 Member who could have voted did not vote. Therefore I declare the amendment lost because it is on an equality of votes.

560 Now, Members of the States, we will turn next to Amendment 4, if Deputy St Pier wishes to lay that amendment now.

[Amendment 4:](#)

*To insert an additional Proposition:*

*'3. To direct the Policy & Resources Committee on behalf of the States of Guernsey to work collaboratively with the Policy & Finance Committee of the States of Alderney to develop options for strengthening the relationship between Guernsey and Alderney, as identified in Priority 4 of the Government Work Plan, to enhance the resilience of the Bailiwick and ensure that the arrangements to support the relationship are fit for purpose for the 21st Century, reflecting current and anticipated operational and funding needs, specifically including consideration of the*

*interaction between the States of Alderney and the States of Deliberation, including representation, and membership on committees and to report back to the States of Deliberation no later than 31st March 2024.'*

**Deputy St Pier:** I do, sir, thank you. I was not expecting to be called.

I think as you indicated yesterday, sir, implicitly this is an amendment that does not relate to aircraft. (**The Bailiff:** It doesn't.) It relates to other matters. And clearly, I might as well say it before somebody else does, this amendment goes beyond the Propositions. So no doubt, if Members do  
565 not wish it to be debated, somebody can seek to curtail debate using Rule 24(6).

However, Deputy Helyar has ... I think actually has almost opened this debate for me with his speech on the previous amendment, because he has spoken quite rightly about the amount of work that has been done already during this term and is planned to be done during the rest of this term. And this amendment is intended to be complementary to that.

570 I had understood that the Policy & Resources Committee were going to oppose this amendment, although I really do not understand why. My fear is that it is less the content than who is moving it, and the fact that it is coming from me may be the motivation for opposition rather than the substance. Deputy Vermeulen may have knowledge, he is shaking his head. If indeed that is correct, no doubt that will be advised to Members.

575 I am going to read the amendment, sir, for the benefit of those outside the Assembly to understand it. So it is:

*The amendment was read out by Deputy St Pier.*

**Deputy St Pier:** The wording, sir, has been very carefully constructed in dialogue with officers from Policy & Resources to reflect the work that is going on, and I thank the officers for their involvement in this. As the explanatory note seeks to say, really all this amendment does is insert a  
580 date and provide that there should be a progress report back to this Assembly by 31st March 2024. I originally had an earlier date, but again, in dialogue with officers, revised it to reflect what they believed was realistically deliverable. As the explanatory note says:

However, this work now falls within the Government Work Plan –

– this is work that is already in train, as Deputy Helyar has said –

– with good co-operation and dialogue between the States of Alderney and the Policy & Resources Committee –

– which again I think reflects the language that Deputy Helyar has spoken to this morning. And it:

simply insert[s] a milestone in that current plan of work, so that progress can be reported back and considered by the States of Deliberation while any airport rehabilitation project is underway.

585 Deputy Prow, when he spoke on the previous amendment, I think very much touched on many of the issues here as well.

I have often found that it is my place in this Assembly, sir, to sometimes say the things which are uncomfortable. I referred yesterday to my role in challenging the La Mare redevelopment as a high school in 2014 without the States having made the policy decision around whether it wanted  
590 selection or not. Everybody knew that it was a debate that needed to be had, but nobody wanted to have the debate. It was my role in 2015 to lead the debate on whether to keep a goods and services tax in the mix of options for future revenue raising, obviously a deeply uncomfortable conversation then and not a lot has changed in the time that has elapsed.

595 Then there is this issue, and the West Lothian question of the representation of Alderney in Guernsey is one which everybody knows but does not really want to talk about it, because it is a little bit uncomfortable. In essence, this amendment, whether it is debated and goes to a vote or

not, is a topic which cannot be ignored. I am delighted that it is being picked up and it is being worked on.

600 But the question, Deputy Inder is no longer in the Assembly at this point, sir, but as he says, once elected, every Member of this Assembly, rich man, poor man, beggar man, thief, has one vote. And that of course also goes for the two Alderney Representatives. But of course the number of people who are represented is very different. So each of the Alderney Representatives, following their recent election on the back of a few hundred votes, when compared with the requirement for a Member here to be elected by members of the Guernsey electorate, of almost 20 times that of  
605 those votes received by the average required in order to get elected.

There used to be a practice, I think probably did not quite become a convention, but I think it was regarded as normal practice that the States' Alderney Representatives did not vote on matters that really had no impact or did not touch Alderney in any way. Or one would vote one way and one vote the other. In other words, to neutralise the effect. That practice is no longer really followed.  
610 And the States of Alderney Representatives are full Members of this States, they are absolutely entitled to vote on everything that comes here. But the question of that disproportionate representation is a real one that does have a very real effect on Guernsey policy decisions. We need to acknowledge that and have an adult conversation about it.

But I also think there is a wider issue about Alderney's *underrepresentation* in many policy areas that *do* affect them. So although we are currently fortunate that each of our current Alderney Representatives are Members of Principal Committees – Alderney Representative Snowdon on Health & Social Care and of course Alderney Representative Roberts recently elected to Education, Sport & Culture – and therefore they have a direct impact on those mandates. Of course they are *unrepresented* on many other mandates that *do* have a direct impact on Alderney as well, Home  
615 Affairs being an obvious one, Employment & Social Security, aspects of Environment & Infrastructure and of course, importantly for me, Economic Development.  
620

For so many years we hear the importance of growing the Alderney economy is critical to Guernsey, because every pound in the Alderney economy is also a pound in the Guernsey economy. Every pound that can be taxed in Alderney is a pound that is taxed for the benefit of Guernsey as well. And yet we have never had any joined-up economic development plan for Guernsey and Alderney. They have always been separate boats sailed in their own direction.  
625

We know now that there are plans for an economic development plan in Alderney, and that is great. There have been previous iterations of course. But I would argue that there would be real merit in there being a Representative on the Committee *for* Economic Development. In other words,  
630 I am saying that there may well be a case for Members of the States of Alderney sitting on Principal Committees. They need not necessarily be Alderney Representatives sitting in this Assembly, but they could well have representation on the Committees of the States. That is what the reference is towards the end of the amendment here to membership on Committees – 'including representation, and membership on committees'. That is the kind of debate that I think does need to be had.  
635

I am not seeking to finesse any of that here today through this amendment and if the amendment does proceed, I do not think it would be particularly fruitful for us to be having all of those issues out today, because clearly a lot would need to be thought about. But I simply highlight some of the issues which I think do need to be considered.

Deputy Prow also addressed the fact of how much had changed in the 74 years since the 1948 Agreement, and the reference of course to an 'airfield' – the requirement to provide an airfield – and in 1948 it was literally a field and now of course it is, as we know, a fixed runway, hence the purpose of this debate. But also it is an airport, we are also now providing an airport, and we are also providing an air service through the PSO. The PSO is not a 1948 obligation, but it is nonetheless one that Guernsey has taken upon itself because of the wider social obligations which it feels it has  
640 to Alderney under the joint revenue pot that we have.  
645

We have recently taken on the responsibly for primary care, taking over that practice.

**Alderney Representative Snowdon:** Point of order.

**The Bailiff:** Point of order, is it? So what Rule has Deputy St Pier breached in that –?

650

**Alderney Representative Snowdon:** It was just to say the States of Alderney have taken on responsibility for primary care, just to clarify that point.

Thank you, sir.

655

**The Bailiff:** Okay. I think that is going to be a point of correction rather than a point of order, but please continue, Deputy St Pier.

660

**Deputy St Pier:** Thank you, and I do take the correction, but obviously with the support of the States of Guernsey as well. But I do take the correction and thank Alderney Representative Snowdon for that.

Going the other way, though, of course the Alderney Gambling Commission and Alderney gambling revenues did not exist in 1948. Not unreasonably, Alderney want to point out that those revenues, as Deputy Trott said yesterday, should really belong to Alderney, whilst there is a very clear argument that they are actually part of the joint pot.

665

On the other hand Alderney also quite rightly point out there is a whole chunk of revenue that is generated in Guernsey, through Guernsey businesses, generating tax directly in Guernsey, for which they get no credit. So there are good arguments running the other way, in Alderney's favour, that are not really reflected at all as a result of the 1948 Agreement.

670

So there is much to discuss and to be discussed. And Deputy Helyar knows this. He has very much spoken to it and articulated it this morning in speaking as the very first speaker of today's proceedings. There really is nothing in this Amendment to fear and I will be disappointed if it is opposed by the Policy & Resources Committee because I simply do not understand how there could be any objection to it given that the date is really the only thing that is happening; the insertion of a requirement to report back to the States by a specific date, a date which I have been advised by officers of Policy & Resources they are comfortable with.

675

But in the context of a significant strategic project such as the Alderney Airport runway rehabilitation, as Deputy Prow said earlier, these are issues which do need to be discussed and considered. So whilst I accept that this amendment, if inserted, does go further than the existing Propositions, it is appropriate that we should be debating them and I hope that Members will be willing to do so.

680

**The Bailiff:** Deputy Le Tocq, let me start with you. Would you like to be relevé?

**Deputy Le Tocq:** Thank you very much, sir.

685

**The Bailiff:** Deputy Soulsby, do you formally second the amendment?

**Deputy Soulsby:** I do, sir.

690

**The Bailiff:** Deputy Dudley-Owen.

**Deputy Dudley-Owen:** Sir, may I ask for a ruling, Rule 24(6), whether this amendment goes further than the original Propositions, please?

695

**The Bailiff:** It has been acknowledged by the proposer of the amendment that it does, and I so rule. Is it your wish therefore to put a motion that the amendment not be debated and no vote be taken –? (**Deputy Dudley-Owen:** Yes, please.)

700

Well, Members of the States, the motion is that Amendment 4, proposed by Deputy St Pier and seconded by Deputy Soulsby, should not be debated and will not be voted thereon. It is a procedural motion. Those in favour; those against?

*Members voted Contre.*

**The Bailiff:** I will declare that lost.  
Deputy Gollop.

**Deputy Gollop:** Yes, I actually think on balance I will vote for this amendment, because, as  
705 Deputy St Pier has pointed out, it is a conversation we have been needing to have. And to be fair  
to Deputy St Pier, it is a conversation he tried to have a lot during the last decade, it is fair to say,  
with Alderney – Deputy Trott too. And the same points have been made by Deputy Inder,  
Deputy Brouard, Deputy Helyar and so on.

Do I agree with most of them? No, I do not, to be honest. I certainly agree with Deputy Helyar  
710 that we need to look at the population policy unity from that, and there are issues over people  
migrating to Alderney or Guernsey who require health issues, as the Chief Minister,  
Deputy Ferbrache, pointed out. But I would not necessarily go for his solution there, for reasons  
I might go into another time, because this is really irrelevant to the main line of today, which has to  
be some clarity, and hopefully success, for the Alderney runway project.

I must admit, I am probably on the extreme opposite of the avuncular Deputy Brouard, in that  
715 I do tend to go for universality of services rather than means tested. I know I am sounding like a  
scrooge at Christmas, but sometimes I would like to be the public relations spokesperson for P&R,  
especially Deputy Helyar, Deputy Ferbrache, and go up to everybody in Guernsey and say, 'Yes,  
you've got to pay more tax.' Not just for Guernsey, but for Alderney too. This amendment has a flaw  
720 in it because it refers to the Bailiwick resilience, and as our learned Presiding Officer pointed out, it  
is not specifically related to Sark, this amendment, as far as I know. But nevertheless, we are where  
we are.

I need to make one or two points here. I proposed the able Representative Mr Alex Snowdon  
725 for the DPA when I was President, because I knew that he had a lot of knowledge of building, of  
politics, and of the Alderney Building and Development Committee, of which there was a link to the  
DPA. And I was very happy to propose Representative Mr Roberts for the Air Transport Licensing  
Authority, and he is now of course, they both are on key service delivery Committees, as  
Deputy St Pier identified. We used to have Mr Boyd Kelly of course on legislation and I think the  
Home Department for a while, and we benefited from other Members who have sat on Committees.

730 But there is, dare I say, a little constitutional point here, which I can make, even if I do not  
necessarily agree with it, but I certainly think we need to think about. That I agree, we should not  
have two Alderney representatives on population, nor should we have one. We should have one  
and a half. Now, I could be the half pint maybe, the half link. So where do you go with that? Even in  
the United Kingdom or the United States, they over-represent small-island or small-state  
735 communities, because they realise that that is part of life, to give those communities a stronger  
voice than sheer numbers would determine.

So that is one issue, but there is another issue about Committee membership. Maybe  
740 Deputy St Pier is right that there should be representation on Economic Development and maybe  
Home Affairs and we should *always* have a link with the States of Alderney and one of their  
politicians on every major Committee.

That raises the constitutional issue as to whether they should have a vote on that Committee.  
We actually have given at least three votes now to Alderney Representatives and they will use them  
wisely on Committees. But in a Committee that consists of just five people, the person with a vote  
will have a significant say, and that say is often related to executive decisions or policy decisions,  
745 and the argument could be made that the two Representatives from Alderney have no  
accountability to the public of Guernsey. So that is another issue: whether Alderney States' Members  
should have a full vote or be like non-States' Members who already fulfil a significant role on  
Economic Development and many other Committees.

A problem with this kind of amendment is it is necessary to do, but I do not want it to be put  
750 across in diplomatic language which effectively means that Alderney sees a reduction in everything.

I think Deputy Helyar was right, saying that there might be ways Alderney can grow from this, whether it be through the economy, through sharing tourism, through greater interchange, because I too have always felt it astonishingly unfair that an Alderney baby can be born in Alderney or Guernsey, of Channel Island stock going back generations, and not have the right to live and work in Guernsey, and yet be paying taxation all their lives. It is crazy.

But if we are going down the route of a common population policy we will then have to consider what proportion, if any, of Alderney's housing should be (a) Open Market and (b) Local Market. So there is a lot of work to do on many of these areas.

But the thing is with this, in a way we do not need to talk about it too much because it proposes coming back by 2024 – hopefully it might be quicker than that – but it is not particularly relevant to the runway. Deputy de Sausmarez said yesterday, yes she did say, I did not quite use these words, but she said, 'John, Deputy Gollop just wants to go down rabbit holes all the time'. Well, actually, I want something more concrete than that on the runway and I think we are already having rabbit holes on the runway – there are probably a lot of rabbits out there making these holes. We must get on with that decision and not go sailing away with Alderney constitutional governance issues.

**The Bailiff:** Deputy Inder.

**Deputy Inder:** Rule 26(1), sir.

**The Bailiff:** Can I invite those Members who to speak in debate on this amendment to stand in their places. Do you still wish to move a motion pursuant to Rule 26(1)?

**Deputy Inder:** I do, sir.

**The Bailiff:** In that case, Members of the States, I will put to you the motion that has been proposed by Deputy Inder, that there be no further debate other than the usual winding-up in respect of this Amendment numbered 4. Those in favour; those against?

*Some Members voted Pour, others voted Contre.*

**The Bailiff:** I think we will have a recorded vote on that. That sounded quite equal to me. Greffier, if you would nod your head once you have a proposition in the system. In that case, Members of the States, I will ask the Greffier to open the voting, please.

*There was a recorded vote.*

*Not carried – Pour 13, Contre 18, Ne vote pas 3, Did not vote 5, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy de Lisle	Deputy Blin	Deputy Burford	Deputy Aldwell	Deputy Bury
Deputy Dudley-Owen	Deputy Cameron	Deputy Ferbrache	Deputy Brouard	
Deputy Helyar	Deputy de Sausmarez	Deputy Leadbeater	Deputy Dyke	
Deputy Inder	Deputy Fairclough		Deputy Mahoney	
Deputy Le Tissier	Deputy Falla		Deputy Taylor	
Deputy Le Tocq	Deputy Gabriel			
Deputy Meerveld	Deputy Gollop			
Deputy Moakes	Deputy Haskins			
Deputy Murray	Deputy Kazantseva-Miller			
Deputy Prow	Deputy Matthews			
Alderney Rep. Roberts	Deputy McKenna			
Alderney Rep. Snowdon	Deputy Oliver			
Deputy Vermeulen	Deputy Parkinson			
	Deputy Queripel			
	Deputy Roffey			

Deputy Soulsby  
Deputy St Pier  
Deputy Trott

785 **The Bailiff:** So in respect of the motion that debate not be continued, other than the normal winding-up under Rule 26(1) of the Rules, there voted in favour 13 Members; against, 18; 3 abstentions; 5 Members did not participate in the vote of those who are present; and therefore I declare that lost.  
Deputy Dudley-Owen.

**Deputy Dudley-Owen:** Thank you, sir.  
790 I just want to explain why I asked for your ruling for the Rule 24(6). It is exactly the reasons that Deputy Gollop said. I think that this is a really important matter and it is very good to have debate on it, but not today – absolutely not today. We need to focus on the matters at hand. (**A Member:** Hear, hear.) This debate is going to go right off track. Actually, a lot of elements have been brought in already that are completely outwith of the Propositions in front of us.

795 I think that the bringers of the motion, Deputy St Pier, whilst I absolutely respect his right to bring it, it is outwith, he has acknowledged himself, and other Members have gone off track in other comments that they have made. We have got until 5.30 today and we have other matters on the Agenda. (**A Member:** Hear, hear.)

800 This has been carried over from a previous debate and I am just going to ask Members to really bear that in mind when they are giving their thoughts around this matter. But this talks about GWP items. This should have been brought, arguably, in the GWP earlier this year. This is Machinery of Government conversation. It is not Alderney runway. Whilst of course it is interlinked, it is not part of this particular conversation that we have been asked to focus on today. I will be voting against this Proposition for that very reason.

805 Thank you.

**The Bailiff:** Deputy Le Tocq.

**Deputy Le Tocq:** Thank you, sir.  
810 If it helps, I am minded to say that, as Deputy Soulsby will know, this is all the sort of matter that can be taken up, and I commit to do so, as I am now the Chair of the Reshaping Government subcommittee, in that subcommittee. I give assurances that I will take it up within that forum, which I think is better to do so.  
Thank you.

815 **The Bailiff:** Deputy Trott.

**Deputy Trott:** Sir, I could not disagree more with Deputy Dudley-Owen. I think there are some particularly salient words within the amendment: 'arrangements to support the relationship' between Alderney and Guernsey are 'fit for purpose'. Much of the debate over the last, however  
820 long it has been, has been focused on that particular issue: is the relationship fit for purpose?

I do not think there is anyone in this Assembly who does not believe that the 1948 Agreement needs revision. And much of the debate has really been around one of the thorny issues to do with the inequality of partial fiscal union, a matter I asked the Chief Minister to deal with early on in debate; in fact even before debate started.

825 Those arguments go along the lines of, you are obliged, from Alderney's perspective – I am delighted that Deputy Dudley-Owen does not wish to hear what I have to say. (*Interjection*)

830 But the point here is the arguments go like this: from Alderney's perspective, 'You are obliged to provide us with a functioning airfield, but we want so much more.' Under the existing 1948 Agreement, the message is clear: we are *not* obliged to provide you with so much more. Against, 'We want to keep some of our revenues' in this case the sizeable chunk of gaming Commission

dividends, to specifically spend on Alderney and they are outside of the existing Agreement. So if anyone doubts that we need to modernise the current arrangements this debate over the last couple of days or so has certainly brought that into sharp focus.

835 I do not think, when the original Agreement was designed, we ever would have appreciated just how synergistic the two economies are. Deputy St Pier referred to it and the Alderney Representatives do regularly, and that is that the Alderney gaming Commission regulates the industry and much of that industry is carried out in Guernsey. It has not always been a perfect relationship, because the truth is an international financial service centre operating alongside a significant gaming sector has not always been a perfect fit, and I suspect it may be a matter referred  
840 to when Moneyval assess us in the future.

I do not think anyone could ever have anticipated the arrangements getting to the extent that they are now. It has been much trailed by me and mentioned by me in particular, but others too, as to how skewed the fiscal union has now become.

845 Deputy Ferbrache has almost chastised me for not saying what I will do in the debate in January. The truth is I want to listen to what this debating Chamber has to say first and make my decision based on all of the evidence and not just the evidence that is contained within the policy letter that we will be debating in January on the tax reforms. However, as I referred to yesterday, we do know one thing, and that is if they are carried, the deficit between Guernsey and Alderney will widen and it will widen, initially, substantially, by potentially as much as 12%. So from £9 million to £10 million.

850 Much of that debate in the future, sir, will be about the progressiveness of the system. How some have benefited and others, in my view, through a progressive system will pay more. I genuinely believe that if you can afford to pay, you should pay.

855 However, what will happen is if you take median earnings, you will have a situation where someone on median earnings in Guernsey will actually pay less going forward. That is a good thing. But at the same time, the amount of deficit that will occur in Alderney will grow. So we will see a shift from the average subsidy per capita of £4,500 to £5,000. And a Rubicon will be crossed, because at that point, someone on median earnings in Guernsey will no longer be paying enough tax to support a single soul in Alderney. Because they will not pay £5,000's worth of tax and the cost of providing for someone in Alderney will be about £5,000.

860 So you can see how interconnected these issues are and why an amendment such as this, which says it is not just time to reset the fiscal relationship between the two of us, but much more widely, as Deputy St Pier and Deputy Soulsby want, to ensure that there is proper connection between the two communities that enables proper debate about just how extreme the disparity has become and continues to be. That is why I wholeheartedly support this Amendment and I do feel, Members of  
865 the States, as if we are starting to get there now in understanding the relationship between the two units with much greater clarity than we did at the start of this debate.

Thank you, sir.

**The Bailiff:** Deputy Roffey.

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**Deputy Roffey:** I rise very briefly with a plea. I am going to support this amendment. I voted against Rule 26(1) because I do not believe it is right to curtail debate right at the beginning of a consideration of any proposition, but that does not mean that it is not right for us to use self-discipline, and this is not a debate about the relationship with Alderney, it is about whether it should  
875 be reviewed.

I am not actually picking up that any person in this Assembly does not agree with it being reviewed. Whether it needs this amendment, some people will vote for it – I will – others will say it is happening anyway, it is not necessary, but no debate is going to change, I think, how we vote at the end of this and it is absolutely crucial that we make a decision on the substance of this policy  
880 letter (**A Member:** Hear, hear.) this year. And if we do not do it today it will not be this year.

So please, can we have some self-discipline.

**The Bailiff:** Alderney Representative Roberts.

885 **Alderney Representative Roberts:** Thank you, sir.

I totally agree with Deputy Roffey on his last ... [*Inaudible*] It has to be done in line with the policy letter, this year.

We are pleased to see that Deputy St Pier and Deputy Soulsby acknowledge the explanatory note. A review of the 1948 Agreement began in the last term following the review of air transport  
890 licensing in 2018, with considerable preliminary work and research having been undertaken. The completion of this was deprioritised, not least because of Brexit and COVID. However, this work now falls within the Government Work Plan, with good co-operation and dialogue between the States of Alderney and the Policy & Resources Committee.

I can confirm that the States of Alderney now welcome such a review, provided it is on a truly  
895 collaborative basis that can allow both Islands in the Bailiwick can move forward and develop in a positive, mutually and beneficial manner.

One of the principle difficulties in the past perhaps has been a lack of trust and motivation on both sides. I have to say, however, that has changed with the latest States in both Islands. There can be little doubt too that COVID years and the Bailiwick bubble ironically did a very great deal to bring  
900 these Islands together. And so many Guernsey residents visiting Alderney for the first time, after a very long time, and discovered what is available on their own doorsteps as another quite different and refreshing place to take a holiday. And even, in cases, some came to live.

The same of course true in reverse has brought the people of our Islands closer together than at any time in living memory. At the same time the Governments in each Island that have managed  
905 to develop trust and confidence, and a much more positive working relationship for at least a few decades.

While I am happy to reaffirm this commitment here, I honestly do not believe it is good governance to approve this amendment, which includes constitutional elements of the States of Deliberation as part of the Airport rehabilitation debate. What sort of precedent does this set for  
910 any future debates, especially on constitutional relationships between our Islands?

Thank you, sir.

**The Bailiff:** As no one else is rising, I will turn to Deputy Ferbrache if he wishes.

Deputy Queripel.

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**Deputy Queripel:** Sir, thank you.

In his opening speech Deputy St Pier said that some might find this one of those issues that makes us feel uncomfortable discussing and debating, but I am not one of those Members, sir, because I see this as a logical move (**A Member:** Hear, hear.) that makes perfect sense, (**A Member:**  
920 Hear, hear.) which is why I am going to support the amendment.

When Deputy Dudley-Owen spoke, she said she is going to vote against this amendment on principle, because it should not have been brought during this debate, due to the fact that it goes beyond the Propositions. But, sir, adopting that sort of approach makes no sense at all to me. This amendment is here in front of us now, so why kick the can down the road and wait for another time  
925 to debate and vote on this?

In my 10 years in the States, I have been involved in debates on dozens of amendments that go beyond the original propositions and very often the outcome has been a positive one. I urge Members to look at it the way I am looking at it. It is here now, it is a logical move that makes perfect sense.

930 Thank you, sir.

**The Bailiff:** Deputy Oliver.

**Deputy Oliver:** Thank you, sir.

935 I looked at this amendment and I have to say at first I thought, 'Oh, God, we're going to have another debate like the Jersey amendment' that Deputy Inder brought regarding, I cannot remember what it was, but it went on for hours and hours. And I actually thought this was a similar amendment. Then I looked more closely into it and it actually, I think, had a little bit more substance in it.

940 So completely for consistency, because I completely agree we should be working closer together, and I think Deputy Gollop had some really pertinent points. That on some of the Committees, why is a Member of Alderney not on our Committee and also why are we not on a Member of Alderney's Committee?

So I am actually going to vote for this and I hope also some more Members do for this.

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**The Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Thank you, sir.

950 I saw Deputy Helyar bobbing around, trying to stand, but I think he is waiting for me to speak, so that works fine.

I have to say I do object to being lectured to by Deputy Dudley-Owen about this amendment and I agree totally with Deputy Trott. The fundamental reason that I could not support the policy letter, and Members will see that I was on Policy & Resources at the time and could not support it, was around the overdue need to look at the Reform Law. I have real concerns about supporting extending a runway, which does not fit within the requirements under the Reform Law, before we have done that review. So it was a fundamental reason why I could not support this policy letter. So it is absolutely pertinent to have an amendment which seeks to address that one issue that is of concern to me, Deputy St Pier, Deputy Trott and it sounds like quite a few others.

955 I also objected to comments made by Deputy Helyar earlier today, talking about how the relationship has improved and how bad it was, and how he had come along as a knight in shining armour coming along and sorting everything out, but I think that is over-egging it somewhat. Because I can absolutely vouch for the fact last term, from a Health & Social Care point of view, a heck of a lot of time was spent working politically and at officer level building relationships. Because prior to that, in the previous term, that had been unfortunate events that had happened that needed to be put right and we spent a lot of time doing that and improving that relationship.

960 He should also know that a lot of other support was provided, both in monetary terms and in terms of people and staff. It was not just Health & Social Care, it was Employment & Social Security providing increased support for the pharmacy in Alderney and really spending a lot of time. We had issues over the medevac that needed to be sorted out, the ambulance that needed to be sorted out, which were not necessarily part of the Reform Law. But HSC had the staff, it had the expertise and came in to support Alderney.

970 That is why really I am happy to support this amendment, because the problem I have with where we are at the moment is the mission creep. That is what I am seeing with this amendment. I have no problem with the rehabilitation of the runway, because that fits within the Reform Law. And Option A, I have no problem with it at all. (**A Member:** Hear, hear.) But I do have concerns that we are going above and beyond what we are actually required to do. That might be great in times when we have got lots of money sloshing around, but we hear ... We have this policy letter from P&R making it clear that we have got a substantial structural deficit, which seems to be getting bigger by the month, if you believe what we are told.

980 But we have got to be really careful in what we do. We currently, Health & Social Care ... it runs a hospital on Alderney, provide services on Alderney, and also it provide services in Guernsey, mainly from the PEH, but it provides services for people from Alderney, come to the PEH and have really high-quality care and support. And also care in the UK through our relationships with Southampton and other hospitals. Those services have grown and grown in the 74 years since the Reform Law took place, when health and care was somewhat different than it is today. I think we only just had

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the hospital built by then in Guernsey. We certainly did not have all the services that we currently provide and which we hold dear.

990 I know the situation is strained. I know the amount of time it takes for Health & Social Care puts, actually a disproportionate amount of time, to provide those services and that support to Alderney. One area recently has been in relation to primary care. As we know, in Guernsey the only real relationship we have from a primary care point of view is through the £12 and £6 grant. We do not have any direct involvement in the primary care practices there. And I know the primary care practices value their independence quite a lot as well.

995 **Deputy Helyar:** Sir, point of correction.

**The Bailiff:** Point of correction, Deputy Helyar.

1000 **Deputy Helyar:** Sir, the new structure for primary care includes myself and Deputy Brouard. I am the chair of the primary care; there is direct involvement.

1005 **Deputy Soulsby:** I think Deputy Helyar missed what I said. I talked about *Guernsey* and I was going to go on and talk about Alderney, and that is the difference. We are now seeing, as I understand what Alderney Representative Snowdon is talking about in terms of Alderney having shares in and owning that practice, the actual running of the direct interest and the oversight will very much come from Health & Social Care.

1010 I do not have any problem with that. I think that makes absolute sense and I am hoping, with the discussions of Deputy Brouard and Deputy Helyar, that we can see some testbed for the Partnership of Purpose because I think there are huge opportunities there. I do hope that that is the sort of discussion that is going on at the moment.

1015 But again, it does reflect how we have mission creep. We are providing more and more services to Alderney. Deputy Trott, in his own unique way, has explained the cost implications of that, and whilst I have not been quite as vocal and quite as strong in my opinions as Deputy Trott in his strong view, for me I have seen this mission creep coming on and on, and I do think it is actually this policy letter that crystallised for me how we really need to address the situation. The Reform Law was meant to be temporary and we are now still on 74 –

I will give way to Deputy Parkinson

1020 **Deputy Parkinson:** Would Deputy Soulsby accept, bringing the matter back to the Alderney runway, that going beyond the strict requirement to provide a runway by providing a better runway would be justified if the result is that cost to the Guernsey taxpayer is reduced?

1025 **Deputy Soulsby:** I would say I do not necessarily believe that and I think that is a whole other debate for general debate in terms of the use of 15-year returns when things might change. I do not actually believe that that is necessarily the situation.

1030 We have also got the situation where we cannot recruit all the staff we need in Health & Social Care, as Deputy Brouard is well aware. We have got a huge number of vacancies and we are trying to spread them with growing services and growing requirements. So we do need to think about ... it is the context in which we are looking at this policy letter. So I said yesterday, it is fine looking at the runway in isolation, but we have to look at the wider context.

1035 Deputy Le Tocq says this is covered in the Reshaping Government work. Part of it might be, and that is not the issue here. That is great and this amendment does not say it should not be. What this amendment say is we want this to be done and we want it done by this time. We understand, we heard Deputy Helyar saying this morning, 'Well, these things are being done.' So how on earth can Policy & Resources object to this amendment?

At one point I did think there were some concerns about the timing of the deadline given of 31st March 2024, but we had confirmation from the officer who is very heavily involved in this and

1040 who is quite happy with the amendment that did not go against anything that Policy & Resources  
are doing, that this deadline was fine. So I do worry about why there should be such an objection  
to what is a straightforward amendment, and which absolutely does come out of the policy letter  
that we are debating at the moment. (*Interjection*)

**The Bailiff:** As no one else is rising, I will turn to Deputy Ferbrache on behalf of the Committee  
to deal with this amendment, please.

1045 **Deputy Ferbrache:** Sir, I was silent when you orally called for whether or not this matter should  
be debated or not, and I abstained when the recorded vote was given. In relation to that, I was  
inclined to agree the amendment. I was inclined to agree it. But the logic for me is that ... And the  
two longest speeches in relation to this, despite the request – admittedly one of them came before –  
1050 from Deputy Roffey to be brief were from two senior Members of the States of Guernsey, but asking  
for discipline in relation to where we are in the usage of time.

But in connection with where we are, Deputy Helyar said all this work is being done. There will  
come some real details much before 31st March 2024. Of course we have got to talk about the  
Alderney situation. It has to move on from 1948. I do not necessarily accept the arithmetic of  
1055 Deputy Trott, but that is for another day. That is not for today, that is for another day.

I do wonder why we have the relevant Rule which says once the Bailiff has ruled that the matter  
is outside of the particular policy letter, we then vote. I cannot think of the last time – I know there  
have been some, but – when the States said yes we agree. It just wants to talk about everything in  
an indisciplined way, it seems to me, without having any parameters at all.

1060 But in respect of that, we are where we are, I support the principle completely, but then we have  
a policy which until recently was led, and ably led, by Deputy Soulsby to kick out unnecessary  
Resolutions. This will be, if passed, and I am sure it will be – this amendment is going to be passed,  
I am not going to vote for it, but – a totally unnecessary Resolution of the States. So we will have  
another one when we are going to do it, when we should do it anyway, but we will have a Resolution  
1065 that will be, in my view, pointless.

So I am going to vote against it. Nothing to do with personalities, by the way. That never enters  
any discussion that I have outside of this Chamber or in this Chamber; has nothing at all to do with  
it. Others may be concerned that they are being unfairly treated. They must look themselves in the  
mirror and realise that that is not the case.

1070 **The Bailiff:** And finally, the proposer of this amendment, number 4, Deputy St Pier, to reply to  
the debate, please.

1075 **Deputy St Pier:** Sir, I shall be brief in responding because I think there is little that has come up  
in debate that requires a response to it.

I picked up Deputy Gollop's caution about the language of the debate on some of these issues  
because of the sensitivity and I think the debate has respected that, and indeed of course the  
amendment itself has been very cautious in its language, not least because of the involvement of  
those that are involved in the work.

1080 I think the only issue, as the explanatory note says, is whether to States wish to have a marker in  
the sand for when P&R should be returning with substantive propositions and reporting back or  
not and whether they feel comfortable in giving that direction to P&R to come back by  
31st March 2024.

1085 I understand Deputy Ferbrache's point about this being a pointless resolution. He of course  
made that point in relation to Deputy Inder's amendment, I think at the time of the budget, and  
was quite happy to support that proposition at that time and, indeed, to turn it into a resolution in  
the substantive vote. So there is some inconsistency there.

1090 It is a very simple choice for Members. The issues have been aired and Members need to decide whether they wish to anchor Policy & Resources with a direction in terms of a time frame. I urge Members to support the amendment.

**The Bailiff:** Well, Members of the States, we will come to the vote on Amendment 4, proposed by Deputy St Pier and seconded by Deputy Soulsby. Greffier, will you please open the voting?

*There was a recorded vote.*

*Amendment 4:*

*Carried – Pour 25, Contre 8, Ne vote pas 6, Did not vote 0, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Blin	Deputy Aldwell	Deputy Dyke	None	Deputy Bury
Deputy Brouard	Deputy Dudley-Owen	Deputy Inder		
Deputy Burford	Deputy Ferbrache	Deputy Leadbeater		
Deputy Cameron	Deputy Haskins	Deputy Prow		
Deputy de Lisle	Deputy Helyar	Alderney Rep. Roberts		
Deputy de Sausmarez	Deputy Mahoney	Alderney Rep. Snowdon		
Deputy Fairclough	Deputy Murray			
Deputy Falla	Deputy Parkinson			
Deputy Gabriel				
Deputy Gollop				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Le Tocq				
Deputy Matthews				
Deputy McKenna				
Deputy Meerveld				
Deputy Moakes				
Deputy Oliver				
Deputy Queripel				
Deputy Roffey				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Trott				
Deputy Vermeulen				

1095 **The Bailiff:** The voting on Amendment 4, proposed by Deputy St Pier and seconded by Deputy Soulsby is as follows: there voted in favour, 25 Members; against, 8 Members; 6 Members abstained; everyone who is in attendance voted. And therefore I will declare Amendment 4 duly carried. It will not be Proposition 3 at the end, it will be Proposition whatever, but it will come last in the suite of Propositions that we get to in due course and we will turn now, please, to distributing a paper copy of Amendment 9.

1100 Members of the States, can I just check with you that you have all got a copy of Amendment 9? Can I remind *all* Members that Rule 8(2) provides that:

While the States are in session Members shall not have any communication with a person in the public gallery.

Deputy Helyar, you are going to propose Amendment 9.

[Amendment 9:](#)

1. In proposition 5 (as inserted by amendment no. 3), for "60%" substitute "50%".

2. Insert the following additional Proposition:

"To direct the Policy & Resources Committee to seek to renegotiate the current Alderney Public Service Obligation contract with Aurigny with a view to reducing the current level of subsidy payable under the contract by the States of Guernsey with effect from 1st January 2024."

**Deputy Helyar:** Yes sir, thank you.

1105 I am going to be as quick as I possibly can because this is an amendment, hopefully an improvement, to an amendment that we have already approved.

There are several Members that have approached, different members of STSB and P&R, in respect of PSO payments and how they would like to see that brought forward. Unfortunately for Deputy Inder, his amendment with Deputy Brouard sought to approach that problem, did not pass because it was a score draw.

1110 So this was suggested in the meantime and I hope Deputy Roffey in due course will be able to stand and give more detail on the background to the discussions which have happened, because we do not by any means, in terms of my understanding of this, have a commitment to this happening, but certainly it sounds like something that the CEO of Aurigny would be happy to discuss.

1115 So the improvement is to actually reduce the PSO commitment. If you remember, Members, in Amendment 3, the idea was that the PSO would be reduced after Option C+ has been approved. And of course the basis for Option C+, as is the basis for this amendment, is saving money for the taxpayer. So the idea of this one is that it will reduce that commitment, and it is a percentage rather than an absolute number because that makes it much easier to calculate when we get there because  
1120 the value of money will have changed by that time. And also to insert a new Proposition, which is part (2) of this amendment:

To direct the Policy & Resources Committee to seek to renegotiate the current Alderney Public Service Obligation contract with Aurigny with a view to reducing the current level of subsidy payable under the contract by the States of Guernsey with effect from 1st January 2024.

I am fully aware that there will be Members who will say, 'But I want £10 on a ticket' or, '15 pence off on a Friday afternoon.' It is very difficult for anybody to enter into negotiation with such a rigid and prescriptive approach to it, so the approach which has been adopted in this amendment is to  
1125 give us leeway to go forward and to discuss how pricing might be flexed.

I am sure there will be arguments that will come back from the board and the CEO of Aurigny saying elasticity will work this far but not that far, this amount will put that many people off and so on. These are not things that we can easily negotiate in this room and for that reason this is certainly drafted with a view to giving P&R a direction to move in, but obviously within the bounds of usual  
1130 negotiation.

So Members, it is an addition to the previous amendment and an amendment to it as well by that 60% down to 50%. So I would just ask Members, and I would just repeat what Deputy Roffey said earlier: we do really need a result today, so I would urge Members, if they do have comments or questions, can we keep them as brief as possible?

1135 Thank you, sir.

**The Bailiff:** Alderney Representative Snowdon, do you formally second this amendment?

**Alderney Representative Snowdon:** I do.

1140 Thank you, sir.

**The Bailiff:** Deputy Roffey.

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

1145 One thing that my time in the States over the years has taught me is that whatever view you come in with about what ought to be the vote at the end of the day, you have to read the room and you have to listen to the mood music that is coming up. I think that is what we have tried to do here.

1150 The new PSO, when it is negotiated, by reducing it to 50% in today's terms, will require some increase in the cost of fares to Alderney. But it will be a very modest amount. The experts in elasticity

of the market really, I think, are the people who operate the airlines and they have made quite clear that any really big decrease in the PSO would actually lead – despite people not liking the death spiral analogy – to a spiral that would be higher fares, fewer travellers, require higher fares, because the cost of the equipment is fairly inelastic. It is sitting there. At the moment it is two Dorniers. In future in might be 80% of an ATR and the pilots and whatever that go with that.

So this is one that has been crafted understanding how far that elasticity will allow us to go, but I picked up the mood music that if we are even going to consider C+ there are some Members of the States who say we want a bit more savings in revenue in return for that, and this is an attempt to do that.

The second part may look a bit woolly, but I think is absolutely crucial. I am so pleased that Deputy Inder's amendment did not pass, not because the spirit of what he was saying was necessarily wrong, but if this Assembly had entered into a five-year legal agreement with a company and then decided three years through that unilaterally, without talking to them, without negotiating with them, they were going to change the terms of that contract, it would have sent out appalling messages.

Next time around it may not just be Aurigny that is bidding for the PSO. I suspect it will be, but it may not be. There may be other bidders. (**A Member:** Hear, hear.) What would they think? Well, if they enter into an agreement, it does not mean anything, because on the back of an amendment somewhere down the line, the terms of PSO that they have signed up to could just be changed without even their being consulted or talked to. That have been nonsensical.

So I am really pleased it was a score draw rather than a home victory for team Inder. However, we got the message, the fact that 18 people voted for that, that they do want not just to wait for the next PSO, but to see if there are some savings that can be achieved under the existing PSO.

That cannot be straightaway because the fares have been published for the next season, etc., but I took that on board. I have not had breakfast, I have been talking to the CEO of Aurigny instead, and I can say that this is not just woolly nonsense. He has made absolutely clear he is willing to come to the table with P&R to see how much could reasonably be stripped from the cost of the present PSO from the start of 2024 onwards, which is what the Inder amendment was seeking to do. But it is the right way to do it. There are commercial considerations; there are two parties to that Agreement and it does need to be done through negotiation.

So this is trying to pick up on the zeitgeist of the Assembly, but to do it in the proper way and I hope that Members will support it.

**The Bailiff:** Deputy Burford.

**Deputy Burford:** Thank you, sir.

I think the point about price elasticity is really important. In fact it was indicated to us that where fares currently stand in Alderney, that the price elasticity is probably in the region of about 0.5. In other words, as I understand it, if we have a 10% increase in fares, we only get a 5% increase in revenue. And, obviously, as the price goes further and further up, that gets worse and worse until an increase in fares brings in no increase in revenue.

So I think that is quite important to know because I think Deputy Inder it was yesterday who quoted something like £20 or £40 extra because he had divided the amount of the PSO by the number of ... I think £2 million divided by 50,000 or something, 'Oh, it's £40 then' but clearly the £40 would not do it because we would lose travellers and everyone who could still afford to travel would be paying significantly more.

The other point that I want to make about this is that the purpose behind this amendment has been made clear by Deputies Helyar and Roffey. The first thing was to try and kill the Inder amendment, which it appeared to succeed in doing, and the second part is to try and push, or should I perhaps say encourage people to vote for C+, because I think it is sensed that that could be a little bit on a knife edge.

1205 I have a slight problem with that, because although Proposition 1 of this new amendment amends the old Amendment 3 and knocks down the cost of the PSO by £200,000, being 10% of £2 million, it only relates to C+. But there is no reason at all that if we find that we end up with Option A, then Proposition 2 here, which directs the negotiations with Aurigny, could not look for a 10% equal £200,000 saving on the PSO under Option A. I was almost minded to try and bring an amendment so that Proposition 1 ... but I did not want to test the Assembly's patience because I think it is adequately covered by Proposition 2.

1210 So I just want to dispel the myth that this only needs to apply to C+. These savings, if we are going to put fares up, whether we put them up under C+ or under A, it is fares going up. So I think that was really my main point. I will have more to say about savings between the models in main debate, but I will keep it short for this.

Thank you very much.

1215 **The Bailiff:** Deputy Matthews.

**Deputy Matthews:** Thank you, sir. I will be very brief.

1220 I will be supporting this amendment, as I supported the Inder/Brouard previous amendment. I do take on board a little bit of what Deputies Helyar and Roffey have said about the difficulties in changing an active legal agreement, but I did not find it a particularly convincing argument, partly because I am sure there are Members of this Assembly whose contract law, knowledge of, is far greater than mine, and the ability to vary or void a contract can how ... It seems almost an academic point when we are talking about the other party being an airline which we entirely own. So the fact that we might be changing the terms of a contract that is in progress when we actually are the sole shareholder of that party does not really seem like it would have been a great difficulty.

1225 Although one point where I do depart slightly from, referring really to the speech that Deputy Brouard gave in a previous amendment about how we are effectively subsidising holidaymakers from Solihull to visit Alderney. I do see that there is a point for querying that, but I think it probably should be something that should be negotiated rather than imposed, simply because there are occasions where, in business, it does sometimes make sense to subsidise something if there is a reason to do it.

1230 You quite often hear about things like supermarkets which run bread as a loss-leader in order to try and encourage other things to be sold. And of course airlines have all kinds of tricks to subsidise and sell tickets at all sorts of different prices to try and encourage volume to get to a certain level. It is quite a complicated business to do that, so I am sure that it should be the subject of negotiation rather than imposition of us here, who do not really have the complete knowledge of the business, but I am sure that the spirit will be taken forward in those negotiations as they go forward. So I will be supporting this amendment.

1240 **The Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Thank you, sir.

1245 It seems like a long time ago, yesterday, when we were discussing Amendment 3, proposed by Deputy Roffey, and I stood up and said, basically, it is a non-event. I was minded ... I eventually voted against it, but it really made no sense to me. And Deputy Roffey made some interesting comments in the response to debate.

1250 I said it was a nonsense because there is a fixed cost to flying the Alderney route, every year. We know it needs subsidising. But there is an amount, and of course we do not know until the end of the year just how much it has cost, depending on how many tickets are bought and how many plane repairs we require etc., but there is a cost and it is subsidised.

And I said, ultimately, it did not matter whether Alderney paid to subsidise their residents, but Guernsey subsidises Alderney, so it is the Guernsey taxpayer who eventually pays, or whether the

Guernsey taxpayer subsidising it directly through a PSO, or whether the Guernsey taxpayer subsidises it indirectly through recapitalising Aurigny. Somebody has got to pay.

1255 Deputy Roffey's response to me yesterday was, 'Oh no, that's not the case, because the fares will go up.' If the PSO amount is not sufficient then the fares will go up. Well, today, he has admitted the issue of price elasticity. Deputy Brouard, in the previous amendment, the Inder/Brouard amendment, mentioned £20. Deputy Ferbrache stood up and said, 'No, no, no, it's well less than £20 where the price elasticity issue comes in.'

1260 So guess what? We cannot charge a lot more for those tickets. We cannot pass the cost on to the user. Therefore, my original statement about the eventual cost coming back to the Guernsey taxpayer is accurate. And also, remember, a large proportion of that traffic going backwards and forwards from Guernsey to Alderney is paid for by the States of Guernsey directly anyway in transferred services. Nurses, doctors and other professionals going over to Alderney to provide our  
1265 transferred services, or Alderney residents being flown to Guernsey for medical treatment. Therefore, the Guernsey taxpayer is paying.

So regardless of how this is dressed up, I see this as an amendment to try and buy support for Option C+, but as I said yesterday, it is a nonsense. We cannot increase the fares significantly. We cannot pass the cost on to the users, especially the users who are independent of the States of  
1270 Guernsey, the tourists, the Alderney residents who want to travel for leisure, because they will stop travelling if we increase the price.

The only people who are guaranteed to carry on travelling are the ones who are paid for by the Guernsey taxpayer: the people transferred for medical services or the people transferred because  
1275 of transferred services travelling to and from Alderney. Therefore, whichever way we look at it, the cost for subsidising flight routes for what is, I agree, a vital air link between Guernsey and Alderney is going to be paid for by the Guernsey taxpayer.

As Deputy Burford just mentioned, she was looking at putting an amendment in there to take out the one sentence about, 'if C is approved, then' because any deal like this can be applied to Option A just as easily as it can be applied to Option C, but as I said yesterday, and as I am repeating  
1280 today, it is a nonsense.

There is a cost, the Guernsey taxpayer is going to pay it, and as other people have mentioned in debate today, we are debating GST, potentially introducing a very unpopular tax in January, to help  
1285 pay for things like this. Paying, accumulating the money to pay for the capital, so people, think about this, you approve this higher expenditure today on the Alderney runway, then you had better be prepared to support GST to pay for it. Personally, I will be supporting neither.

Thank you, sir.

**The Bailiff:** Deputy Gollop.

1290 **Deputy Gollop:** Yes, there is a lot about the tax strategy I do not support, but I do not think it is radical enough. Because we actually need more money and one of the areas we need more money in is for transport connectivity subsidies; route development. I believe that many services to this Island, air, sea, need greater subsidy. And so I reject so many of the arguments I have heard. That  
1295 said, I am likely to support this amendment because I think it gives a fair chance for all of your options to be evaluated.

I also agree with Deputy Burford's analysis of the marginal cost increase and elasticity of demand. Where I do not agree, though, is that there is a difference between the Option A and Option C, C+ particularly, because C+ is, in capital terms, more expensive than Option A. That is why decreasing  
1300 out of nowhere, really – because it has not been an issue in the public conversation – the PSO amount does seem to me to be a bit undeserved if we go for Option A, because Option A was already the link beforehand.

The other point I want to clarify I think is that the timeline for Option C+ means that the construction will not be complete until 2025, the summer. So effectively this will include, on current projections, 18 months of higher fares. I am really in the camp that think that the higher fares will

1305 decrease economic and social viability. Many people in Alderney go to the UK for funerals or for family events, or for study or whatever, and I think too the holiday homeowners, who we have slightly derided a bit, do contribute substantially to Alderney's economy, at least the way it is structured today.

1310 But the point I really want to bring out is the confusion over the 60% loading on the ATRs. If Option A continues, we will go on with the Dorniers, but if the 72-seater ATRs come into the picture and work really well under C+, if you take the reflection that approximately 40 to 45 seats can be filled, that is a substantial increase over 19 seats. And so one has to bear in mind that maybe ticket prices will change. Maybe there will be more promotional tickets for additional people who cannot go at the moment because the peak hours are filled.

1315 So I am confident that we can work with the amendment that Mr Snowdon and Deputy Helyar put across, and that it actually makes the debate more on a level playing field than not supporting it. So I vote for the amendment.

**The Bailiff:** Deputy Vermeulen.

1320

**Deputy Vermeulen:** Thank you, sir.

1325 There is no 'might' about it, Deputy Gollop: prices are going to go up. We touched on GST coming into effect. Air tickets will be subject to a GST, if introduced. And this Assembly is perfectly capable of increasing that 5% that is proposed and changing that, and changing where it starts. So you have got the GST –

**Deputy Roffey:** Point of correction, sir.

**The Bailiff:** Point of correction, Deputy Roffey.

1330

**Deputy Roffey:** I read the policy letter and I thought that air tickets were specifically not covered by GST, although I look to my colleagues on P&R.

1335 **The Bailiff:** Well, Deputy Vermeulen, I think we just need to concentrate on the terms of this amendment at the moment, (**Deputy Vermeulen:** Okay.) rather than more broadly, unless you want to speak in general debate and forego your chance to speak then.

1340 **Deputy Vermeulen:** Sir, I am just concerned on this amendment that ticket prices are going to go up, whether GST is included or not. I am very interested to see security costs increasing with a longer runway almost £1 million. I would give way on that to be advised how that is calculated, how much per passenger. So just bear that in mind, there are other things coming in. And invariably the effect of GST is going to have an increased cost on the airline operating over here; fuel and stuff like that.

1345 So be very careful what you do here. You are going to reduce a subsidy, or route development, and invariably that is going to put the price up and, like I have mentioned before, sir, the higher you charge, the less you will sell. If it was so easy, everybody would be multi-millionaire business owners. If it was so easy as just to put the price up. There is an art to operating any business and the selling price is key.

1350 So costs are going to go up, ticket prices are going to go up. Bear that in mind when you vote, please.

Thank you.

**The Bailiff:** Deputy Kazantseva-Miller.

1355 **Deputy Kazantseva-Miller:** Sir, I wanted to ask a technical question, how amending an amendment would work. So Amendment 3 has become an original Proposition and if this

1360 amendment is successful, they will become original Propositions, and as we start voting in the final vote, assuming Option C is approved. But if then the Amendment 3, which becomes, say, Proposition 5, is not approved, then that wording disappears from the original Propositions, and so this amendment then will start referring to something that no longer exists.

So on a technical basis, does this amendment make sense? If this wording, the Amendment 3 wording, is not approved in the final voting, then Deputy Helyar's amendment would refer to nothing that exists in writing. So I am just, on technical issues, I wanted to check whether this stands. And I appreciate, neither His Majesty's Procureur or Comptroller are here as well.

1365 **The Bailiff:** Do not worry, I will step into the breach, Deputy Kazantseva-Miller. Old habits die hard!

1370 If this amendment is successful, then what will be Proposition 5, unless the numbers change, will reduce from 60% to 50%. There will be a further Proposition going in, which we will probably call Proposition 6 for the time being, which is the second Proposition in this amendment, which is a standalone direction to the Policy & Resources Committee.

1375 But you are right. If Proposition 1 does not carry from the original Propositions, then Proposition 5, which comes from Amendment 3, whether it is amended or not, will not be put because there will be no need for that to be voted upon. But Proposition 6, if this additional Proposition is inserted, could be voted on, whatever the outcome on Proposition 1. Does that help?

1380 **Deputy Kazantseva-Miller:** So I think, yes, in terms of Proposition 2 with this amendment, I get it, but I am not sure I quite still understand in terms of the first one, because if Proposition 5, which is the Amendment 3, is not voted through, there will not be any reference then in the actual policy paper and something to take away from, what is being substituted. So we still need to retain that wording from Amendment 3, I believe, in this Proposition to carry it forward –

1385 **The Bailiff:** If you have got Amendment 3 in your hand, (**Deputy Kazantseva-Miller:** Yes.) and you take your pencil, and you cross out 60% and you put in place 50%, that is what Proposition 5, as it may well be at the end of the debate, will be voted on, if this amendment carries, Amendment 9.

**Deputy Kazantseva-Miller:** Okay, that is fine. If you say that, I believe you, (*Laughter*) but I just wanted to check that, because it is an interesting way to amend the amendment. But I take that.

1390 **The Bailiff:** It is the only mechanism by which the 60% can now be changed, unless you wanted to replace the entirety of what is currently Proposition 5 from Amendment 3.

**Deputy Kazantseva-Miller:** That is fine. I just did not want us to fall on technical grounds, here –

1395 **The Bailiff:** No, it won't.

**Deputy Kazantseva-Miller:** – but thank you for your clarification.

1400 In terms of my comment in relation to this amendment, and I also supported Deputy Inder's amendment, I think the key is that we have to send a message that the fiscal situation is not really working, and that we have to send a strong signal. This is an amendment that is sending a signal directly in relation to the PSO. And I know there has been basically concerns raised that this could lead to price increases, or this could affect the ... It does not actually make sense.

1405 But I think the importance is that it does start sending a message and most importantly it should send a message to the States of Alderney, actually, to say that this is the maximum the States of Guernsey is committed to subsidise in terms of the Aurigny subsidy. But what it should send a message to Alderney is to say that there are potentially alternatives to negotiate in how that PSO could be supported, I believe.

1410 I will give an example of what happened in the Isle of Man following the withdrawal of the low cost and they came back, but they wanted to have a guarantee of how many seats the business community bought throughout the year. So they had to come up with a deal where in partnership with the business community, there was a guaranteed amount of tickets that were bought, which gave a stable demand service.

1415 So I do think there are alternative and more creative ways of how, if the subsidy is required, or a financial arrangement is required with Aurigny that you could look into, and we have had representation from all the famous names of the business community. If C+ is basically approved, it will potentially build a runway that can accept private jets from all this wonderful business that we have. Well, why don't these business people contribute to the PSO that Guernsey has with Alderney?

1420 So I do think that there have to be new and creative ways of how we are looking at how we are subsidising Alderney, and I think this is a step in the right direction. I do not think it has to necessarily lead to the issues that have been identified in terms of ticketing, etc., because I think actually we need to look at other ways to finance the subsidy.

1425 So I will be supporting this and I thank the Presiding Officer for clarifying the technical point as well. Thank you.

**The Bailiff:** Alderney Representative Snowdon.

**Alderney Representative Snowdon:** Thank you, sir.

1430 I was just going to say it has been an interesting debate so far. I think there are lots of different views and it is actually quite good to be airing them out here and everything. But I would like to say I hope the majority of Members understand that the States of Alderney is really wanting to work with you. We are all together in this. We have got a lot of challenges coming up. It presents you with a tax debate and all sorts of things that we have got to address. But we are together.

1435 So we are listening very carefully to you. We want to work with you. We want to move forward. Hence why this amendment has actually come forward. We discussed this this morning, Members of the States of Alderney and Members of the States of Guernsey, we understand what was trying to be achieved with Amendment 8, but it personally went a little bit too far. That was a little bit uncomfortable. But this is hopefully a compromise. We are in listening mode and we are trying to move this forward.

1440 You had Deputy Helyar trying to give an update, I think he talked about the Bailiwick commission being reported back in January or something. Things are moving, things are happening in the background. And I think maybe for Deputies they do not see it all and they do not hear it all because it is not in the forefront, but there is a lot of work going forward. I take your points completely on board, and I think we do need to work together and look how to make things better, and I think that is the intent from the States of Alderney and hopefully the States of Guernsey.

1445 So there is a lot of passion in here, understandably, but we are actually all in this together. We are a Bailiwick and hopefully we can move forward. So yes, fully support this, and it is good it has come forward and hopefully this is a step in the right direction, fingers crossed, and I hope everyone supports this.

1450 Thank you.

**The Bailiff:** Because I do not see anyone else rising, I will invite Deputy Ferbrache, if he wishes to, to comment on this amendment.

1455 **Deputy Ferbrache:** Sir, just one comment and three points to make. My comment in relation to it is well said, Deputy Gollop. He said it consistently in his speeches, not only in this debate over the last thing, but consistently, that sadly we need more taxes – sadly. I commend him absolutely. He has been totally consistent in that.

1460 And three other points in relation to it. Firstly, the amendment only kicks in if C+ is passed, because Amendment 3, which was significantly passed by the Assembly, refers specifically to C+.

Secondly, that it improves upon it because it shows that there is a reduced subsidy, in the sense that it is now, or if the amendment is passed, it is 50% rather than 60%.

1465 And thirdly, the other part of the amendment, is completely, as the Bailiff has said, standalone – completely standalone – and that will happen whether this amendment is passed or not. There will be a negotiation with Aurigny to see if there can in any event be any kind of reduction with effect from 1st January 2024.

**The Bailiff:** I turn finally to the proposer of Amendment 9, Deputy Helyar, to reply to the debate.

1470 **Deputy Helyar:** Thank you, sir.

Much like a long session of *hors d'oeuvres* before Christmas lunch, I think we are all ready to move on, so I will be very brief.

1475 Thank you to Deputy Roffey for explanation of some of the horse-trading that has gone on, that is very helpful, and Deputy Burford particularly for highlighting the difference between the C+ and the ... [*Inaudible*] because I think that is an important factor to take into account and the fact that the second part of this amendment is effectively standalone.

1480 Deputy Matthews mentioned perhaps strange construction of contract law and the fact that the States is unlikely to litigate against itself. I think that is probably very true, but one of the things I would point out is that despite the fact that the States was the shareholder of Aurigny for many years, it lost money hand over fist during that period and the States did not seem to be in any position to prevent that happening. So there is a level of control that can be exercised by a shareholder over a company, but that does not necessarily step right into the shoes of the directors.

1485 I thank Deputy Meerveld for his comments. They reflected the ones he made in the last debate on the last amendment, and those are accepted; that he disagrees for those reasons. And for Deputy Gollop talking about tax. In fact Deputy Vermeulen echoed that. There has been a lot of talk about GST in perhaps a slightly different way than we have seen it of late, so hopefully we will have at least a more informed debate in January, which I look forward to.

1490 And I think those other Members who support it, and I would ask everyone to support. It does improve on the previous one I hope and help to bring those who might be in doubt a little bit further towards supporting C+.

Thank you, sir.

1495 **The Bailiff:** Well, Members of the States, we will come to the vote on Amendment 9, which is proposed by Deputy Helyar, is seconded by Alderney Representative Snowdon, and I will ask the Greffier to open the voting, please.

*There was a recorded vote.*

*Amendment 9:*

*Carried – Pour 30, Contre 6, Ne vote pas 2, Did not vote 1, Absent 1*

**POUR**

Deputy Aldwell  
Deputy Blin  
Deputy Brouard  
Deputy Cameron  
Deputy de Sausmarez  
Deputy Dudley-Owen  
Deputy Dyke  
Deputy Fairclough  
Deputy Ferbrache  
Deputy Gabriel

**CONTRE**

Deputy Burford  
Deputy de Lisle  
Deputy Le Tissier  
Deputy McKenna  
Deputy Meerveld  
Deputy Soulsby

**NE VOTE PAS**

Deputy Falla  
Deputy Taylor

**DID NOT VOTE**

Deputy St Pier

**ABSENT**

Deputy Bury

Deputy Gollop  
Deputy Haskins  
Deputy Helyar  
Deputy Inder  
Deputy Kazantseva-Miller  
Deputy Le Tocq  
Deputy Leadbeater  
Deputy Mahoney  
Deputy Matthews  
Deputy Moakes  
Deputy Murray  
Deputy Oliver  
Deputy Parkinson  
Deputy Prow  
Deputy Queripel  
Alderney Rep. Roberts  
Deputy Roffey  
Alderney Rep. Snowdon  
Deputy Trott  
Deputy Vermeulen

1500 **The Bailiff:** In respect of Amendment 9, proposed by Deputy Helyar, seconded by Alderney Representative Snowdon, there voted in favour 30 Members; against, 6 Members; there were 2 abstentions; and 1 Member who is present did not vote in this particular vote. Therefore I will declare Amendment 9 duly carried.

1505 Now we come back to general debate. Just for your benefits, although you will get it all up on your screen once Amendment 9 has been dealt with, we have got the two original Propositions, Propositions 1 and 2. We have got two further Propositions from Amendment numbered 5, which are Propositions 3 and 4 as shown on Amendment 5. Amendment 3 comes next, and that is Proposition 5, but that has now been amended so that 60% in real terms becomes 50% in real terms as a result of Amendment 9. The second part of Amendment 9 will be Proposition 6, and then Amendment 4 will be taken as Proposition 7. So I simply give you that for your benefit so that you can try and refer to the right numbers without confusing one another.

1510 We started general debate, what it is now, 45½ hours ago.

**Deputy Inder:** Could I just ask a quick question, sir? Are we getting a combined set of Propositions ... [*Inaudible*]

1515 **The Bailiff:** They will all be there on your screen anyway, Deputy Inder, but if anyone is desperate for a piece of paper? Deputy Brouard would like a piece of paper.

I will tell you what we will do. It is not going to happen before lunchtime, if we get to the vote before lunchtime, we will do our best, but we will get you a printed set of the Propositions as well, as they stand amended, and that will help.

1520 General debate. Deputy Brouard.

**Deputy Brouard:** Thank you, sir.

1525 I will be that Doctor Who who will take you back and I will explain why. First of all, I need to declare an interest. I like Alderney. I worked there for many months when I was a branch manager for NatWest. I think it is a beautiful place. I have friends there now, I may not have them tomorrow, but I have friends there now. (*Laughter*) I am on the estate agent's mailing list, and I probably in some ways prefer that we did not have this debate, because I have given far more thought to it than I have many other debates we have. And I must do what is right for me as a Guernsey politician. Because I have to live with myself – luckily, none of you do.

1530 Some of you will be surprised where I get to, and to my final position, but anyway. But I want to shoot a few foxes first. I know that is not popular in this, especially for Deputy Ferbrache, so I am going to change it to cull a few turkeys before Christmas, and I also understand that yesterday was

Homecoming Day in Alderney; and very apt, really, after the War and its legacy, that we are actually now talking about the Airport runway and how it interacts with the 1948 Agreement.

1535 I did get, certainly at the very beginning, a feeling that this was Aurigny who was the tail wagging the dog and we are doing it all for Aurigny, but I am moving from that position. And if you had told me a couple of years ago that we were going to be flying 72-seat ATRs into Alderney, I would have rolled over and you could have tickled my tummy. But these are my main points. I do not consider Alderney a parish of Guernsey, or that they should be treated like one, and I will go a bit more detail later.

1540 I do wish to exit the PSO. I do not want the PSO to become, as such, another obligation that I need to continue to support. I need to put levers in place or encouragement for change in Alderney by Alderney, and that will be the big prize of this debate, and I will be asking our two Alderney Representatives for a commitment.

1545 I do feel that living on Alderney, you need to pay a premium, (**A Member:** Hear, hear.) or at least have less services, or both. Because you choose to live on a remote rock. There is a cost for doing so and I am not sure another separate jurisdiction should necessarily be paying for that. But I do agree, we do need to repair the runway, and I appreciate the arguments from Deputy Roffey and Deputy Ferbrache that this is the cheaper option for the Guernsey taxpayer.

1550 But let's look at the parish arguments. Two publications I would recommend that you read, especially if you are an Alderney politician, and that is the Jersey Law Review 2004 by Nik van Leuven QC, and also the 1949 report, which was the Report of the Committee of the Privy Council on the – then – Island of Alderney. Those are very important documents and I think that gives a lot of historical context as to why we are actually having this debate today.

1555 I am going to take next basically, a letter which I had from, or a correspondence with one of the Alderney delegates, and it is this: it is about this taxation, that because Alderney pay into our services here by way of Income Tax, therefore it is a common pot. In my view that is not so. I believe it is more like a – it is not a token, that is the wrong word – they provide what Income Tax they can; in return, we provide certain circumstances.

1560 It does not give them a right to Aurigny, it does not give them a right to the cranes on the Guernsey harbour, it does not give them a right to the tarmac on the Torteval Road. Those are things that we pay for from Guernsey taxation. Alderney gives us their taxation, in return, we provide very specific services for that. There is no other global, that their money comes in and therefore they are part of us. They are not. It is almost like a trade, in my view, of buying a service.

1565 And this arrangement has been going on, as we say, for 74 years, and I think Guernsey has done – I think Deputy Soulsby mentioned – extremely well by it. Things like the school in Alderney, in 1948, one and a half teachers, now 15-plus teachers. The same with hospital services. Health services in those days, we were not worried about having a hospital, it was more public health with regard to vermin and serious diseases coming through.

1570 So we, I think, Guernsey taxpayers can be really proud of the support that we have given to Alderney over this very long period of time. Of course, we have our ups and downs. Every marriage has those difficult times. But the tax receipts fall well short of the services we provide by a factor of two for one. So every pound of Income Tax you pay in Alderney, we give you £2 back. And you are not a parish of Guernsey. We do not have that issue. St Peter Port may pay more taxes and they repair the pier at Rocquaine. That is fine, because that is us, that is our own country. It is a  
1575 fundamental piece of this particular jigsaw.

And when the figures were for, after the War, in the documents from the 1948 Agreement, the actual cost they thought for Guernsey would be about £20,000 per annum of doing the support for Alderney. If you multiply that up today with inflation, that is about £500,000. So we have significantly put more and better services in place than were ever envisaged by our forefathers, and literally it was our forefathers because it was people in this Chamber many years ago who made those  
1580 decisions.

*[Inaudible]* ... touch on the Privy Council's reflections on Alderney being a parish of Guernsey and I just will read a little bit here from what the Privy Council said:

We had ourselves observed that the insular authorities were already looking increasingly to Guernsey to help and have mentioned that, for example, in rationing it was a practice of Alderney to follow the lead of the larger Island. We could not regard this as satisfactory to the more extreme proposals put to us by some witnesses that Alderney should in effect become a parish of Guernsey. This was not likely to have been acceptable to the inhabitants of Alderney, who value highly their ancient institutions of self-government, and there was no evidence that this would be acceptable to Guernsey.

1585 So that was back then, and I do not think that position has changed in the interim. And that is also then reflected again in Mr van Leuven's comments on it, and it says here again:

Alderney and Sark, being smaller and less important, at least in terms of population and revenue, together for a period comprised a bailiwick, and towards the end of the 13th century one Ralph, son of Odo, is known to have been styled 'Bailiff of Sark and Alderney'. Early in the 14th century this arrangement collapsed, resulting in separate administrations for each Island ...

That is the point I want to get across: separate administrations for each Island.

I think also, there is the letter from the businessmen which we referred to earlier. They say here, and again, I think this is completely incorrect:

We believe that Alderney *deserves* this investment as much as any other 'parish' ...

1590 But that is the whole point: they are *not* a parish of Guernsey. They are a separate jurisdiction, they are a very proud jurisdiction, they have their own history and their own family. And of course, this was reflected again by the very blunt statement from the MOJ quoted in *The Guernsey Press* which says:

Guernsey and Alderney are self-governing jurisdictions –

– not a self-governing *jurisdiction*.

1595 I just want to touch ... I think Deputy Ferbrache in his opening said something along the lines that the two Islands are one economy, and I do get that, and a cultural heritage and we are under the same umbrella, and it is the same people. But I am not so sure. I move away from that. Half the population of Alderney there today has been resident there for less, or for only 20 years. So there is a very big, high turnover of people in Alderney who have come there – which is great. I welcome people to come to Guernsey. I would not be here if it was not for my mother who came from Belgium. So I have literally skin in the game in this, in having people coming from outside, and it is great that they live here. But I think there needs to be some conditions that get put on to that.

1600 I think what Deputy Ferbrache said, we need to do what is the best interests of the family, and I agree with that, but I do think that they are separate, that they are very good friends, but they are not the same as Guernsey.

1605 This was interesting: this was from an ex-politician of Alderney writing in something called *The Alderney Journal*. I am one of those saddos who actually get that over in Guernsey. Every two weeks it comes through. And this was his argument, writing there:

My argument is that Alderney is part of the Bailiwick. Along with the parishes of Guernsey we should be treated in the same way when it comes to capital projects being carried out in Alderney. I have never heard of any parish in Guernsey being asked to make individual contributions towards the capital cost of projects, even a major project.

But that is fundamentally missing the point. Alderney is *not* a parish of Guernsey, it is a separate jurisdiction.

1610 Carries on:

My remarks regarding the continual threat that the Guernsey Government and Alderney keep repeating that Guernsey is only obliged to maintain and provide an airfield in Alderney, but it is not obliged to provide airline services, and that the airline itself repeating the same. This is simply not true.

I completely disagree. The 1948 Agreement is very explicit: it is an airfield, it is not air services. And again, this is where the argument comes in. He is protesting the point that the purchase price for

1615 the airline, which was Aurigny, came out of general revenue and therefore because Alderney pay tax into the general pot, they have a share of that Aurigny. I completely disagree. The funds paid in from Alderney into our coffers, fine, but in return we provide a service which is the transferred services.

There was one piece which I did actually quite laugh at, it was a bit ... But it was:

I am deeply concerned about Alderney being saddled with unnecessary debt.

How is the irony here? They are quite happy to have *us* saddled (*Laughter*) with unnecessary debt. And the same gentleman then went on in an email:

The public will only hope that the States' Members –

1620 – this is Alderney's States' Members –

– will vote this item out. Alderney as part of the Bailiwick should *never* be asked to make separate contributions which shackles Alderney to a payment burden for years to come.

Well, welcome to Guernsey, 74 years on! (*Laughter*)

1625 I am not going to go through the why I wish to exit the PSO and the cost of the tickets, I think I made that very clear, but the vast majority of flights in and out of Alderney are for leisure. There is some business it is fine, and the ones that are not, which are for medical, we are probably picking up anyway.

So that is where I am ... And again, you can have this argument, it is quite happy to have it, is that some people feel we should subsidise it, which I completely get. I am probably more of a free marketeer, more of a businessman, that things need to stand on their own two feet, and if you have got an operation that is running in Alderney that relies on Mrs Le Page having to subsidise somebody to get there, perhaps we need a different operation in Alderney. We need to look at different businesses that can actually really produce the wealth. And that is where I look to Economic Development to try and help Alderney out with ideas as they can think that forward.

1630 So I need to put a few levers in place to encourage Alderney to make some changes. And I think there are three certainties in life – and certainly in my life. One is death, one is taxes, and the other is that the 1948 Agreement needs amending. (*Laughter*) We all know this; that it is easier to look away, it is easier to tinker with the faff and add another straw to the camel and a never-ending PSO.

1635 There will be a price, there is a price that I can agree to a Code 3 runway and a new terminal and a new fire station. But do not forget, it is for 1,400 households. This is a big investment for some 2,000 souls – £24 million. That is £12,000 per head. And some of the people – which is fine – arrived yesterday. We need to change the way Alderney thinks. (**Deputy Inder:** Hear, hear.)

1640 A politician in Alderney recently said at a meeting I just happened to be at, that when we build a bigger Airport, it will give more jobs at the Airport, as if it was a good thing. (*Laughter*) It is perfectly true, it will give more jobs at the Airport, but that is not a good thing. It is wooden dollars. The thinking needs to move to the next level. So how am I, as an Alderney politician, going to raise more taxes or new businesses, or reduce expenditure to make the 1948 Agreement sustainable into the future for both Islands?

1645 I want to talk about levers and behaviours. The history of Alderney is fascinating. It has had its ups and downs from Queen Elizabeth, taking into account the pirates that were there – I think some of them are still there – (*Laughter*) and the grant of Alderney to John Chamberlain. Alderney was held in fief form until 1825 when John Le Mesurier, the last hereditary Governor, surrendered his patent to the Crown. I think he surrendered it because he could not afford to keep going, because it was being subsidised even then. And it looks to me that the cost has usually been covered by the Crown in the past. In the post-war years, the UK government, who spent considerable sums on Alderney, expressed its reluctance to give financial aid indefinitely to Alderney, except at that time

1655 in respect of the breakwater.

1660 I do appreciate the position of Deputy Ferbrache and Deputy Roffey, that it is not build it and they will come. That is the position of the Alderney Chamber of Commerce, which I can appreciate from their point of view. They are looking at it from a slightly different angle. It is about saving States' money. But the motivation to have a PSO in the first place goes back to a notion we need to keep Alderney strong so that the costs of the 1948 is mitigated in some way and we get some relief, which is fine. Guernsey have no direct requirement to provide an airline.

And there is an interesting line in the 1948 Agreement, which luckily I have just to hand – there is always one when you want one – this is talking about ...

Nor do we think that in general there will be any inclination on the part of future States to withdraw from the decisions the present States may take in regard to Alderney.

Which is fair enough, we have not. We have been 74 years and we are still going strong.

To this statement we should, however, like to make one reservation : we can visualize circumstances arising in which the States would no longer feel that the worth of an airfield to Alderney justified [by] the cost.

1665 Also another interesting point was just at that time the airport was being run by BEA, and all the expenses of the Alderney Airport were then covered by His Majesty's government at the time.

1670 The Chamber of Commerce has lobbied hard on a different tack of supporting the economy and attracting new business, and I have their letter of 13th December. Although, not without some logic, it addresses some of the enablers to make the economy strong – yes, fine. I did actually believe that 1948, and I have peddled this myth before actually, that it was of temporary nature. But I can, in the history books, I can find no nature that it was a temporary nature. In fact that was confirmed by Mr van Leuven when he did his research for this *Jersey Law Review*. He actually says that, yes:

This was regrettable, ... the whole financial relationship established in 1948 was based on the expectation that Alderney required, and would indefinitely continue to require, Guernsey's assistance.

So it has gone on for a long time, and I think we will, it will help you get the ... [*Inaudible*]  
I give way to Deputy Le Tocq.

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**Deputy Le Tocq:** I thank Deputy Brouard for giving way.

1680 I just wanted to put some clarification to that. I think it was the case, because I did research this a number of years ago, that certainly here in the 1950s some of the initial transferred services were returned to Alderney. I think we were responsible originally for housing and water, and that was returned, and there was therefore some movement in that direction back towards that. But that does not take away from his point that there was I think an expectation there would always be some help required from Guernsey.

1685 **Deputy Brouard:** Deputy Le Tocq is absolutely right. Roads and water were taken back I think in the 1950s, and in adoption and some other family planning issues, or family matters, were brought in in the 1990s.

1690 Today we are treating the symptoms, but for me we need to look at a cure. I fully understand the position a politician in Alderney may take when you have seven decades of support. There is not so much the incentive to look at how you can mitigate it, and I can understand that. But surprisingly, in private conversations with locals on Alderney, they do want change. But they feel a little intimidated to speak out. As one retired politician said to me in private, the 1948 Agreement has been one of the worst things that has happened to Alderney, because it has begat behaviours that you would not normally do.

1695 There are levers in the 1948 Agreement which were put in place, but those levers were to prevent Alderney exercising powers over expenditure, which is fine, because Guernsey is obviously, we decide the taxation rates, they did not want Alderney to have a way of undermining it and be in a

better position. But the one lever they left out: there are no levers to force Alderney to actively put legislation in place to better the position of the fiscal union.

1700 To explain that differently, we have no direct control of who Alderney allows to retire to Alderney. Those retirees displace housing that a young family setting up in business need, the very people the Chamber of Commerce want to attract. And the same goes for second homeowners. These are the decisions ... I would not say that Alderney have made, but it is in effect, by not making them, or not taking them at an earlier stage, has continued, and we need to start to put those levers back in.

1705 Hopefully, and this is where I will come to request from Alderney Representatives, they will put them in without me having to do it, but if we as a Chamber need to, as part of those negotiations, I think we are going to have to. And of course, some people say, well, that is fine, a Guernsey second homeowner is fine, but a second homeowner in Alderney does not pay tax in Alderney because it is their second home.

1710 So for every house that is there that is on the market, say they would pay £5,000 in tax, that £5,000 in tax is not being paid. I appreciate that the Guernsey homeowner will be paying tax in Guernsey, but there is an opportunity for someone completely different to be in Alderney and paying tax.

1715 So whether you believe Spartacus, who is one of the writers in *The Alderney Journal*, that it is 400 residential units as second homeowners – I think he got there by deducting the number of residential properties to the households – or the local estate agent who advised me it was about 250, or some friends of mine who said it was about 150. But even then, if Alderney decided that they wished to tax their second homeowners, maybe a fee of, say, £10,000 for every house, and there is 1,500 of them, that is £1.5 million. That would be a significant contribution and similar to what those houses would have, whether it be a nurse, a builder, a financier, an insurance broker or whatever, working in Alderney would be paying.

1720 So perhaps Alderney may wish to consider their retiree policy. I do not blame the people for retiring there – who wouldn't! It helps Victoria Street, you can sell a house, but if we are truly in this together, you have the power to sort this out. You had the power 40 years ago, you had it 10 years ago, you have got it today and you will have that power tomorrow. I suggest we need Guernsey to have those powers, although it is uncomfortable to get that position unless Alderney will voluntarily go there.

1730 As I mention, about the retirees, we have people going there who are going there at 60, who have never paid anything into our joint fiscal union pot, but we will be paying their healthcare cost for the next 40 years. I have heard stories, I cannot verify them, but there is one story – and I do not know whether it was told in a joke to me or not, but I will relay it with that caveat – a family came over from another country, and they liked Alderney and they settled there to retire. They liked it so much that they brought their parents. They then put their parents into the elderly care home and then moved back to the UK, or to another country, to live with their children. (*Laughter*) That is unacceptable. That is not fair.

1735 And it is the same with lots of things. My colleague Deputy Inder mentioned helmets, but helmets is one. It is a very small one, but why would you allow an 18-year-old motorcyclist in Alderney to drive round without a helmet? Who is going to pick up the tab when they hit the lamppost at 35 miles an hour? It is not going to be Alderney. It is going to come out of the general revenue from Guernsey here at the PE Hospital. And it is the same with top-ups in care homes. We build the care homes in Alderney, but we do not bother to charge a top-up. Over here, Mrs Le Page has to pay for the cost of building a care home and pay a top-up. It is just barking.

1740 We cannot allow Alderney to pick and choose which bits of Laws they put in but that help them, or in some cases may disadvantage. And it is a free ambulance service. Why would you have a free ambulance service in Alderney? Why not, and we will be looking at this as the Care Board I am sure, we will be looking at for a subscription scheme, like we have in Guernsey.

1745 You cannot have a rusting crane that we had to replace years and years earlier because no one could be bothered to drive it out of the Salt winds! We really need to have this, if we are really going

to be joined up, you need our help and you need my help to get your runway, I need your help to really get to grips with some of these tricky bits and pieces.

1750 I know how difficult it must be. It is bad enough in a small community like Guernsey where, as politicians, we are approached everywhere we go, in the supermarkets etc., it is double that in Alderney. It is double. You are really cheek-by-jowl with the people and it is very difficult to have those very hard conversations. I completely get that.

1755 So as I said, yes, if we are joined at the hip, there is no point one half of us gorging ourselves on food and the other one being on a diet. We need to have the same programme between the two of us. And if I can get a commitment from the Alderney Representatives that they will move heaven and earth to look at these issues, I can see some merit in me moving to C+.

1760 So I will do my bit to save money of the fiscal union, but *please*, you must change and look beyond your own feet and look at the joint pot. For me this is the prize of this debate – the cherry on the cake is if we can have those really interesting conversations about trying to stop some of the long-term cost. Because the PSO pales in insignificance 40 or 50 people having 40 years of medical healthcare. It just does not ... And if perchance the Chamber can grow the economy, well, that is the icing on the cake on top as well.

1765 So there is nothing stopping Alderney raising more funds from residents to either cover a PSO, but I do appreciate the wooden spoon argument, or rather the wooden dollars argument, because there is an argument that any funds that they raise while they are in a shortfall will be difficult.

1770 Just to finish, please give me the reassurances that we are really going to sort out the big elephants in the room – the retirement of people to Alderney and how that affects Guernsey. Please look to bring in revenue. And I do not need to be subsidised to go on holiday there. So I will not be supporting anything from the PSO point of view, but I could support C+ with the quid pro quo of such a substantial investment, for me, in another jurisdiction, I need to hear an undertaking to close those loopholes – retirees, helmets, seat belts – and really be serious about raising funds, second homeowners, etc. and I will, surprisingly, support C+.

1775 **The Bailiff:** I am very prepared to call Deputy Inder now, so Deputy Inder.

1780 **Deputy Inder:** Yes, sir, Members will be glad that it is only going to take about two minutes, but I really want to dig down into some of the detail. We have been told that this whole cost is £24 million, and quite clearly people who build airport terminals are not the same people who build runways. If we look just briefly at 9.1, this is quite crucial as well, 9.1 in the policy letter, it is one question. There appears to be a number of milestones in the preferred option outline plan, and it looks like, around quarter 1, quarter 2, possibly quarter ... somewhere in the beginning of the year, we will know whether the £24 million will be the £24 million.

1785 You have seen this happen before: you vote for something, it has got a cost on it, and a few minutes later it is something else. I would like to know, from Policy & Resources, and STSB, no beating about the bush, if this Assembly, and I may not be one of them that supports C+, do not take the proverbial, do not use this 'You voted to' and next thing we are going to find £35 million or £36 million, as we have seen rough quotes on marinas now looking at £90 million. We have seen rough quotes on dairies now look screaming towards £36 million.

1790 Policy & Resources need to tell – I will not go as far as 'tell the truth' – need to be open and transparent through that process. As soon as you have got – through you, sir, to them – a cost on it and it looks bad, it looks worrying, we need to know, because if we cannot do it for the £24 million, and I can see a bit of flex somewhere, if we are looking at £36 million, we are looking at £40 million, I will personally bring a requête myself and go back to Option A.

1795 **The Bailiff:** Well, Members of the States, let me test with you first of all whether you are minded to take a few more speakers before we break for lunch. Those in favour; those against?

*Members voted Contre.*

**The Bailiff:** Okay, everyone wants their lunch. *(Laughter)*

1800 Can I then test whether you are minded to curtail your two-hour lunch break and come back at two o'clock to resume debate then and see where we get to? Those in favour; those against?

*Members voted Pour.*

**The Bailiff:** We will now adjourn until two o'clock.

**Deputy Roffey:** Sir

1805 Can I just make a point, put on notice, sir, if we have not completed this by the end of the normal time, that I will be asking for us to sit late this evening?

**The Bailiff:** Well, you have mentioned that, Deputy Roffey.  
Two o'clock, Members.

*The Assembly adjourned at 12.31 p.m.  
and resumed its sitting at 2 p.m.*

**POLICY & RESOURCES COMMITTEE AND  
STATES' TRADING SUPERVISORY BOARD**

**Alderney Airport Runway Rehabilitation –  
Debate continued –  
Propositions 1, 2 and 5-7 carried as amended**

1810 **The Bailiff:** Who wishes to speak in general debate, then?  
Deputy de Lisle.

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

1815 As far as I see it, sir, the problem here is one of two things. First of all, I am afraid of delay with respect to getting on with the job at hand, which we had promised, several years ago, actually in 2019, which was of course to rehabilitate the Alderney runway and do the resurfacing that was required, plus widening and so on. My concern is that we must stop the procrastination and get on with that job and do it as quickly as possible, because we keep hearing of flights being lost as a result of the fact that tarmac is disappearing.

1820 But there is also the aspect of cost, as far as I am concerned. The Guernsey taxpayer is strapped currently. The Alderney taxpayer even more, probably, but certainly at the same extent as we find ourselves in Guernsey. And Guernsey has to look – and Alderney too – to save capital and operating cost to all projects and we have got to see that that is done.

1825 The policy letter cost for C+ is £24 million, we are told, which is certainly more than the £12 million agreed earlier and it remains an estimate only, when I read the policy letter. It remains an estimate only until the essential stages of final design and procurement are completed. So why are we being given preliminary costs on something as important as this?

1830 The States are replete with projects running over budget before and there are financial risks, as is stated in the policy letter, to the project as more detailed work is required to firm up on some of the associated costs. So we do not have the whole thing in this £24 million. There could be a lot more and by the time the planning and so on is done with regard to the extension, you can imagine that those costs can be certainly more than that. So it worries me, not only in terms of the delays, but also in terms of the cost, the additional cost, and the Government has committed to resurfacing the runway and spending the £12 million agreed.

1835 If it is later on that the States of Alderney want to invest £3.5 million additional and business interests in Alderney are prepared to also wish to put in some value, fair enough. That can be done later, but at least we will see that the runway is surfaced and that flights can go in and out and also the dangers to the public are taken away as quickly as possible.

1840 My point here is it is not for the people, the taxpayers of Guernsey and Alderney, to finance more than what was promised. We promised £12 million. We are still waiting for the job to be done several years later and I think it is time that we get on with what we promised, do that and then those wanting more can find the funds either privately or through the funds that may come through Alderney to do the rest.

1845 There is a great danger at the current time that these revenue and capital costs are being added at a time when we are about to discuss GST and that is something that I *do not* want to see come into Guernsey in any way, or shape, or form. All this would do, with additional money, is probably justify further perhaps increases and the adoption of a *new* tax. We have got enough taxes. We are up to our eyes in tax right now as Guernsey taxpayers and we certainly do not want another new tax in the form of GST.

1850 So I call on Members to please just support getting on with what we had originally agreed, get it done and then at a later date those that have the funds at that time, and perhaps Alderney might be in a different situation, to actually carry out the works itself, through its own financing or with co-operation perhaps with the business community at that time.

Thank you, sir.

1855 **The Bailiff:** Deputy Dyke.

**Deputy Dyke:** Thank you, sir.

1860 We have heard some excellent speeches from around this Assembly around this issue. I think this has been a great debate. I will not take up too much of your time. I think during the course of this debate my view has actually changed between Wednesday morning and now, and not just because I am getting a bit tired.

1865 I think if we go with the Option CA, I would just like to restate a few points made by others around this Assembly. This will give Alderney a fantastic opportunity to build up its economy and it must take that opportunity. It will include better planes, 20,000-odd – if I remember the figure correctly – extra seats per annum for their hotels and guesthouses perhaps to do deals with Aurigny on for package ... all this sort of thing. So they must use this opportunity to build up their economy.

1870 I have not followed politics in Alderney terribly closely, but it does seem to me that they have had a lot of projects come up and they have been sunk by a brigade that does not want to do any development over there, does not want anything to change. Well, they are going to have to get over them. I know our two excellent Representatives here are forward-looking and will hopefully be able to lead on that. Whether they can control it or not, I do not know. But Alderney will have to take this opportunity to up its game and to make use of this opportunity.

1875 So for me it now comes down to this piece of paper, like Neville Chamberlain. I hope these figures are reasonably accurate. Obviously if they go up and up then we are going to have to revisit this thing, because if we approve Option C+, it is based on these figures roughly. We know there are uncertainties. Deputy Ferbrache alluded to the fact that with regard to the Airport terminal I thought it should be done for an awful lot less and £9,000 a square foot does seem a lot, but Deputy Aldwell thinks that it could well be a lot more. The horror of it is that we are probably both right, given the way we seem to handle our construction contracts.

1880 Going through the figures, there is not much that I can argue with. We have only got one quantity surveyor in the Assembly and that is Deputy Oliver. I do not know whether she has got anything to say. But there is one line item that I am a bit unhappy about, three quarters of the way down the page: increase in passenger security levy, £900,000. Apparently we can do that if we add to the security, but not if we do not. But as a factual matter, I do not think that line item should be there. The effect of the line item is to increase the savings from Option C+ as stated. Alderney could

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introduce a tax at any time and call it anything it likes. It could introduce a hedgehog tax and add it on to air fares. *(Laughter and interjections)*

1890 So I do not think that £900,000 figure is a good line item. I think that is a dodgy line item. But, even if we strike it out, the figures are showing that this Option C+ gives us savings and it would still do, regardless of that figure. It just makes slightly more nervous. But then again, if the figures do keep going up, then we will have to think again. So on balance, having listened to everybody, I have in fact changed my mind from a lean no to a lean to Option C+. I think that is all I can usefully say.

1895 Thank you.

**The Bailiff:** Deputy Gollop.

1900 **Deputy Gollop:** Yes. Earlier today we heard Deputy St Pier use the phrase 'Midlothian question' and I do not want to go into Scottish political or anything – West Lothian question. Well, I am thinking of Mr Gladstone who did a speech in Midlothian. But all that is off the point. The point I am trying to make is that the relationship between Guernsey and Alderney, as Deputy Brouard identified, is a very long and subtle one. Because in many respects Alderney is a separate parliament. It enjoys representation within the Commonwealth Parliamentary Association at events and it is a separate assembly and a separate jurisdiction, and certainly has different taxation in some respects.

1905 But it shares a common purse with us. And we could all argue, like Deputy Dyke did, about hedgehog tax, little hedgehogs – they are white in Alderney, so they are a rare breed, so maybe they are quite valuable. But the point is we can have arguments about the fact that you could have additional tariffs in Alderney, like a landing tax or so on, that they would collect, but I think that is off the point. We need to focus today on ensuring that the runway is in a fit-for-purpose condition and that the best possible option is out there. And to that end, I think it is important to go with what clearly the majority of the population of Alderney want, and the Chamber of Commerce and their States' Members, and give them the maximum possible opportunity to thrive.

1910 But I will go into a little bit of history as well. There was a very interesting article in the *Press* in October by a Mr Edward Pinnegar, who, amongst other things, is a civil servant but he is writing a book. He lives in Alderney part of the time and he is writing a history of Aurigny air services which will be published early next year. He goes into how we have landed in this situation and some of the points he makes are quite salient to the situation of today.

1915 Deputy Le Tocq waxed lyrical about the good old days of Aurigny when we could go to Jersey, Cherbourg, Dinard and go over almost every half an hour on the Trislander. But of course it is quite interesting that back in 1989 there were over 200,000 movements between Guernsey and Jersey and that has dropped to 100,000 or less. Teams, Zoom, changing corporate structures, all kinds of reasons, but the reality is that market has shrunk, Deputy Vermeulen and others will not be pleased by that, but another aspect of that is that the model of operating small planes with one pilot has gone.

1925 And even Deputy Dyke's point he has just made about increased costs of security is partly a function, as Deputy Burford and others have identified, of the increased regulation and security. We are where we are and we actually cannot, even if we wanted to, go back in time and reinterpret, or re-impose, 1980s, 1990s solutions.

1930 But what I found interesting particularly about Mr Pinnegar's argument, and this bit will interest most people, is he says the services that were provided by Jersey Airways, and I think it was Morton airways and so on:

these services rarely paid their way in the early years. By the late-1960s –

– before most of us were born, I was just about born –

– they were operated by British United Airways, with 15-seater de Havilland ... Herons, load restricted to 13 passengers –

– where have we heard that before; a sort of 20% download –

– which were costing the airline dearly. By 1967, they were unviable, losing £50,000 a year (£1m in 2022).

1935 Actually, it is possibly more like £2 million, when you could buy two houses on Fort George for that in those days.

But the point was, even in 1967, the Alderney air service was losing money; nothing to do with today's States in Guernsey or Alderney, or 21st century issues. And then we had – Deputy Trott will like this bit:

Guernsey's Board of Administration proposed to solve the problem with a £130,000 improvement scheme –

– which would be £2 million to £3 million in our money –

(... what good value it would seem now), at a reduced cost with works undertaken by the Army, which would have seen a longer, hard runway laid, permitting the operation of 56-seater ... Herald turboprops –

1940 – larger plane.

The judgement then, as now, was that larger aircraft could be operated at similar cost to the much smaller Herons.

But the States of Guernsey [in deliberations] vetoed the proposals as too costly, and the States of Alderney was concerned that they were too land intensive. A less extensive programme of improvements ... [were] carried ...

And then guess what happened? The airline ceased to trade in Alderney. Fortunately, Aurigny was formed immediately and had a different model.

1945 But the idea that for some mysterious reason Alderney has suddenly become unviable or air transport is an issue or there has been some bad decisions made – yes, we can all look back at the Dorniers – the reality is flying to Alderney will always be challenging financially.

1950 And then you look at it another way and say I think it is remarkable that Alderney with a population, I think it is more than 1,800 but it is certainly not 3,000, can manage itself as a community. Imagine a village in England or France trying to run its own fire service, home services, museum service, harbour, airport and so on. They do a fantastic job and the fact that it does require a degree of subsidy is itself remarkable.

I think when you look at the fact that maybe in the 1960s, and maybe later on, Guernsey did not go for the more sensible lengthening of the runway option and give maximum flexibility for competition and operations, you can see, given the fact that it would have only cost £130,000 in those days, I think we missed out.

1955 So I think, given the situation we are in, we really need to help Alderney and I do not think it is all one way either. Alderney over the years has had lots of entrepreneurs, attracted people of success, had famous authors living there, and even a Hollywood film star with Julie Andrews and so on, and the Wombles and everything else. That is wombling free. But they also at one time had a disproportionately high number of high-net-worth individuals who had invested in Lloyds.

1960 But I will say something else: I had a little bit of a check on my Googles again at lunchtime and saw that the current defence budget in the United Kingdom is £42 billion, rising maybe to £60 billion. If you do a pro rata in Guernsey, £42 million would be a horrendous cost for the Island, but we do not have that relationship. We have a different relationship that was very well negotiated. A significant part of that is used for the Alderney breakwater and that has shown the usefulness of Alderney as part of our defence contribution and part of our structure.

1970 So when you balance everything out and you look at the missed opportunities of the past and the fact that for all kinds of technical, insurance and security reasons we need to look to the future, I think C+ in this package is definitely the best way to go. And what I do concur, with all the Members who have spoken, is we need to do everything we can to get Deputy Inder and Economic Development and other individuals motivating themselves and the population of Alderney to bring forward a new model, a new demographic and a new spirit – which they had perhaps 20, 30 years ago – of making the Island work, maybe getting the media involved, who knows.

1975 Could you live on an Island like this? Could you actually get more people? If we are going to have more people, more conferences, more activity, more links with Southampton, and more commuters to the UK and Guernsey maybe – as Deputy Murray said, I remember, in a very interesting speech last month – if you want any of that or all of that, digital structures as well, C+ with the larger plane and larger payloads gives you more of that.

Thank you.

1980 **The Bailiff:** Deputy Le Tissier.

**Deputy Le Tissier:** Thank you, sir.

1985 I have taken a particular interest in this policy letter, because I am interested in aviation, but initially the policy letter gave me some concern. If our finances were in great shape, there would be no question that Alderney should get a decent terminal and a longer runway. But our finances are, quite frankly, dire and I think they are scheduled to get worse.

1990 So with an open mind, I attended the briefings, quizzed the Committee and the civil servants, and I spoke to Aurigny directly. I also spoke to other potential operators, such as Air Alderney at their open day. I have spoken to the Alderney Representatives and other Deputies and I think we all have been lobbied by both sides, for and against Option C+. So I thought, well, I am going to fall back on examining the policy letter in greater detail.

1995 In my humble opinion, the policy letter has got some flaws in it. It does not provide me with the detail that I would want to come to a reasonable decision based on the facts and I think it is important we concentrate on the facts, not the emotions, from both sides. (**Two Members:** Hear, hear.) I dare to say that it is misleading in places, and I will give you an example.

2000 Page 21: the information that Aurigny has carried out substantial flight trials in Alderney. And I repeat: in Alderney. I had a look around the publicly available information, the flight-tracking sites, and I found that Aurigny have carried out just three low approaches, two on one day in July last year and one in February, and both on benign weather days. So I respectfully suggest to the Committees that that is not substantial. It may have been the right figure, but you could not by any stretch of the imagination call it substantial.

2005 On further questioning, because it was not in the policy letter, I am told that some paper exercises have been carried out on data from airports around the world. Fine, that is valid, but why not be open about that? And by the way, I have spoken to Aurigny, and they have confirmed that my research was correct: it was just three low approaches.

2010 Then I wanted to turn to the comment on page 14 in table 4, that Option A ensures continued non-compliance with the regulations. This is absurd. If Alderney is not complying with the regulations right now, it would not be allowed to operate. (**Deputy Queripel:** Hear, hear.) Therefore Option A merely continues the status quo, which is self-evidently complying with the present regulations. No one knows what is going to happen in the future. I continued asking and I could not really come up with any regulation currently in force that is applicable to Alderney that it is in non-compliance with. And strangely, it does not apply to Option B. I do not know why that is.

2015 While I was researching this I discovered an error in the Guernsey Ports website for Guernsey Airport and I am told that will be fixed. It was to do whether ESA has jurisdiction.

Turning to medevac, medevac is mentioned but no details on how many times this is used. Using the same publicly available sources – flight radar – I found out there were 45 last year and 33 so far this year up to the end of October. I count one of these flights as a flight carrying patients. I do not count the positioning flights. So where is the cost comparison between Aurigny using the Dorniers and the proposed specialist operator? Again, I do not know.

2020 Page 19, the sources of finance for the £4½ million for the new terminal and fire station, the policy letter is once again silent on what those sources are. So I had to ask again and this is what they said:

They could include potential funding of building developments by the State of Alderney, private or loan funding from a third-party developer, or a separate bid for capital funding through the established Government Work Plan mechanisms for use of the general revenue capital reserve.

You could have added 'Uncle Tom Cobley and all' in there because it is just too vague. It does not say where it is coming from.

2025 Moving on to the use of the ATR, the policy letter is silent on the additional training costs that would be incurred by Aurigny in operation of an ATR 72 into what will be a very marginal airport under Option C+. Again I had to ask and I was told apparently the landing on the new extended runway will be so difficult that captains only will be allowed to land and take off. That tells me that it is going to be quite a difficult airport to land and take off from. And even then these captains will  
2030 need specific training programmes including simulator training and a route-checking programme as part of Category C requirements listed by the regulator. I happen to think that is a good plan. We certainly want to have pilots trained to fly planes.

Then the answer I got goes on to say:

The focus on the airfield restriction will be on length, but Aurigny would also include width and approach [*Inaudible*] ... weather and several other factors.

I am really pleased at that, because I have had some, shall we say, fairground rides into Alderney at  
2035 times.

Just briefly talking about the actual planes themselves, it was reported in *Flight International* recently that RUAG has been sold. I think probably people know this, but it was bought by General  
2040 Atomics, which is an American company and they are best known for making the very successful reaper drones that are in use. It is reported – or they have reported – that they are going to update the Dornier design and actively market the 19-seater to small airlines in the US.

So it is a possibility that with more planes being built, the spares' costs and so on will be reduced. We do not know that, that is just speculation. But also there are several other planes in that category. We see the Tecnam STOL version, which is a little bit smaller, but we have also got a 19-seat STOL  
2045 Textron courier. Again, that is American. And they have all got two engines.

Some in Alderney obviously would like this runway extension and so would I, if we had a few million pounds sloshing around. But I have to say the magic money tree, as often referred to by Deputy Ferbrache, is now dormant I think for the winter. Whether it will come back to life, no one seems to know. At the moment we are not going to get any money out of that.

So how are we going to pay for this super new runway, terminal and fire station? What concerns  
2050 me is that if I support Option C+, which I think overall is probably the best option, I will be told in January that my approval makes it imperative I vote for GST. (*Interjection*) I am against GST, at the moment, I am open to be convinced, but I do not want this to be thrown back at me that I am authorising more expenditure. (**A Member:** Hear, hear.)

So the policy letter does not really go into the detail that I would like to see and turning to the  
2055 business plan, I am told it is not predicated on more passengers to fill the 20,000-seat new capacity. So to me that means that there is a possibility, or probability, depending on your point of view, that Aurigny will be flying empty seats around the sky, wearing out the plane, the engines, burning fossil fuels. To me, that does not seem like a good plan.

So I will not go on much longer, but to cut a long story short, this policy letter, to me, is very  
2060 light on detail and does not give me the information that I think I should receive to make an informed decision. I am sorry, but I do not want the opinion of STSB and P&R, I want to make my own mind up. I want facts. As seems to be the fashion, and particularly Deputy Queripel, to quote pop tunes, I want to quote the song by Greg Lake, now sadly deceased, that I believe in Father Christmas, but I do not believe in this policy letter.

2065 So what are we going to do? I am going to see what comes out in the debate, but I would like to see a decision today, so if it is A, we can crack on with it, and if it is C+, then at least a decision has been made.

Thank you, sir.

**The Bailiff:** Deputy Le Tocq.

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**Deputy Le Tocq:** Thank you, Mr Bailiff.

I think the word 'Guernseyfication' has been used on at least two occasions in history publicly. One was not so long ago, when then Minister for the Economy Emmanuel Macron suggested, just prior to the Brexit vote in the UK, that if Britain voted for Brexit it would mean the Guernseyfication of the United Kingdom. (*Interjection*) That was quoted on social media and so I responded to him at the time saying:

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merci pour la publicité gratuite! Heureux de voir que la France ne se sent plus menacée par Guernsey

'Thank you for the free publicity. I am glad to see that France is no longer threatened by Guernsey.' And that is my one interaction with President Macron as he is now.

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But the time before was quoted by then Home Secretary Chuter-Ede in the aftermath of the Liberation and the situation in Alderney. He said, having reviewed that situation, that what was needed was the Guernseyfication of Alderney. Sir, that may well be the case, or may well have been the case then. I very much feel now that we need to move back towards the Alderneyfication of Alderney.

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I cannot say whether any of the options before us provide that particularly, but if I was living on Alderney, I believe I would want greater control over my future and the future of my children. I recognise that that brings with it its own costs and with that that means that decisions would need to be made by individuals as to whether they wanted to be part of such a community. But we have obviously within our own Bailiwick an Island, Sark, that chooses to go about its business in a different way to Alderney. It manages to do that. There are obviously crises from time to time, and we are still having to step in to help in those, but in terms of Guernseyfication, Sark is actually far less Guernseyfied than Alderney is.

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Smaller islands around the world, and I have often quoted this one, but it is because its size and at one time its population was similar to Guernsey's, Belle-Île to the south of Brittany about a hundred years ago had a population very similar to Guernsey at the time and it could have continued in that way, except that they were part of France. And as a result, more and more central responsibility fell to both the Departmental Council, I think in Quiberon, and the regional responsible government in Brittany and then to the national government.

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As a result today Belle-Île has a population way less than half of what it did a hundred years ago. I think only 4,000 people live there. Obviously there are more in the summer time, it is a place that people have second homes, etc., perhaps similar to Alderney. But I do think that sort of model is the direction that we will continue to go if Alderney remains Guernseyfied in this way.

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So for all sorts of reasons, the question of whether we should be spending money which, quite frankly, sir, we have not got, and if we did have this money available – and at one time of course we did have quite a lot of capital reserves – I frankly believe that in the interests of both Alderney and Guernsey we should be spending it on priorities such as health, not on the potential for extending runways. Putting all other things aside, and I accept the arguments, to a certain degree on paper, that it could save us money. When we are looking for capital, where do we get that from?

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Well, in the main we get it from revenue that we have saved over the years. A little bit from perhaps the sale of property, but the vast majority comes from surpluses that we have. Well, we are not in a position to have surpluses any more, certainly not in the sorts of surpluses we had years ago. As Deputy Le Tissier has referred to, we have a debate coming up focusing on revenues and taxation particularly, and it seems to me absolutely essential that we understand that we cannot take issues such as this in isolation and think that they do not have any implications later on when it comes to the setting of taxation.

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I have said publicly in this regard that in my mind it is not a matter of just saying we need to change our taxation or we need to cut our costs. We need to do both. It is both/and, it is not an either/or. There is not an option anymore. And why is this, sir? It is because we have – and I use

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Alderney and Guernsey together – a society now that is demanding more and more from its Government. That is totally inappropriate for a small society.

2120 It is societies like that that on Belle-Île in France, I met somebody from there years ago who was still living there, but said there that is no longer a younger generation there. There are not schools and the opportunities and that, because quite clearly the government found it cheaper and easier to be able to take people off to mainland France and educate them there or to provide services that were being demanded. They could not provide them in a small place so they said, 'We'll provide  
2125 them on the mainland.' And as a result, it has totally changed the lifestyle and the culture of that small island.

I therefore feel that if we move down this line in Alderney for Option C+, we will be effectively, in some way, maybe small, but saying that is it, as far as you are concerned. You are allowed to demand all the things that bigger places have, you can have that as well, you should, it is your right,  
2130 etc., and what we will effectively be doing is seeing Alderney lose all the things that makes its unique.

I do not live in Alderney. I have got friends over there, and as Deputy Brouard joked before, maybe I will not have them for much longer, but I do believe there is a uniqueness about our Islands, and I would say this about Guernsey. I would say this about our parishes in Guernsey. I live in, geographically, one of the largest parishes, if not the largest parish out in the Castel. And there are  
2135 things about living here that I want to protect and I want to see kept, even if that means that we look a little bit odd in the respect of the rest of western civilisation.

I think we need to decide, in this Assembly, what those things are before we just follow the crowd and end up with something that actually is heading down a direction that will not benefit us in the long term; and certainly will not be cost-effective.

2140 So hand on heart, I cannot vote for C+. I accept our responsibilities and voted for the original repairs under Option A. I will continue to support that, because that is absolutely right, I agree with that. But I cannot, hand on heart, do anything more than that at this stage.

Thank you.

2145 **The Bailiff:** Deputy Burford.

**Deputy Burford:** Thank you, sir.

I said in my speech on my amendment that I would address other issues relating to Option C+ in this debate. The first thing I will say is that I attended the Aurigny presentation last month to  
2150 Deputies and I remain very impressed with the new management (**A Member:** Hear, hear.) and completely understand the case Aurigny make for this project, in relation to their fleet and their business. Whether they think it is the optimal solution outside of that frame of reference for the Islands, I do not know.

If I were the CEO, my concerns would be the benefits to my business and the opinion of my  
2155 shareholder. I would not have to worry about the capital spend on the runway or the ongoing revenue spend or take those things into my calculations. Those would be issues for the States and ultimately taxpayers. But as Deputies, we cannot have such a narrow frame of reference. We need to look at this much more widely. It is a positive that Aurigny believe they can make it work and make PSO savings claimed, but it is not on its own a slam-dunk argument to approve this project.  
2160 There are other factors that whittle away that saving, as I will show.

I would just like to look briefly at the potential load factor on these ATR 72s that we propose to put into Alderney. Given the current passenger movements of 54,000 passengers per year and the operation of two Guernsey and one Southampton flights per day, the average load factor on these flights will be 25% – and I will come back to that a little later. And at the risk of sounding like a  
2165 broken record, I am going to labour the point about what or who precisely it is that this proposed runway extension in Alderney facilitates. In other words, I really want to thrash out what the rationale for it is, because I think that has been slightly lost.

No one at all, whether in P&R or STSB or Alderney, has been able to tell me which airlines operating which aircraft would be able to use Alderney that cannot use it now, and believe me,

2170 I have asked numerous times. The only answer I have had, as previously mentioned, was the names of three airlines who operate ATR 72s in Dublin and Scotland. As I have said, the runway is not being constructed for normal ATR operations. It is 250 metres too short for unrestricted operation. No other ATR operator is going to want to operate to 25% load factors. Apart from Blue Islands, none of them are close enough.

2175 So Deputy Roffey's claim in the policy letter and in the *Press* 'clearly Alderney would become a viable option for more airlines' is wrong. No airline is going to come to an Alderney with an ATR or anything else that cannot get in there now. I suspect the sponsoring Committees may be wishing they had never made this claim or indeed the one about opening Alderney up to code C aircraft generally, but they were not the only ones making this claim. The letter circulated to us by Alderney Representative Snowdon from some residents and people with business interests in Alderney said:

If the runway was fixed and extended planes used by mainstream airlines could land on the Island.

I asked Alderney Representative Snowdon several times which aircraft and airlines were being referred to here. Again, no answer, because there is no answer.

2185 But maybe it does not actually matter that no other airlines and commercial aircraft will be facilitated by this extension. So if we agree that this extension does not facilitate other airlines or commercial aircraft. So what does it facilitate? Well, it facilitates our state-owned carrier to operate their regional fleet that they happen to have, which was not designed for Alderney, into there at an average *actual* load factor of 25% – 25%! For comparison, easyJet operates to around 90% and most airlines would hope to achieve 75%.

2190 But there is, however, one other cohort of aircraft that these additional 173 metres of tarmac will facilitate. They are known as VLJs or very light jets. These are four to five seat aircraft, so very small, such as the Citation Mustang, and they generally need around a thousand metres of runway. So it is a bit tight at the moment. I am not saying that enabling these types of private aircraft is a bad thing – not for one minute. But the policy letter and the advocates of C+ would have us believe that the extension is going to facilitate other airlines and commercial operators. It will *not*.

2195 So the question for Members is: are they happy to spend millions of pounds of taxpayers' money on a runway extension, and to support ongoing *increased* maintenance, in order to facilitate very light private jets and Aurigny ATRs with a 25% load factor landing in Alderney? Because that is all we are going to get for our money.

2200 And on the subject of money, when reading the policy letter I came across the phrase ROM or rough order of magnitude. I had not come across it before so, as always, I looked it up. It is an estimating tool for the capital cost of a project used at an early stage when there are still significant uncertainties. It is generally accepted that it is accurate to within minus 25% to plus 75%. In other words, for Option C, we can be reasonably confident that the cost envelope would not go outside of between £18 million to £42 million. (*Laughter*)

2205 In paragraph 1.9 of the policy letter I am informed that although a number of financial risks do remain, P&R:

will monitor ... development ... costs and benefits ... to ensure that ... [the project] continues to deliver the best overall value and will not use its delegated authority ... [if it expects that to] no longer ... be the case.

Well, I need a firm figure of what that increased figure is. So I asked Deputy Ferbrache yesterday at what point do P&R bring the case back to this Assembly and he said they had not settled on a figure yet, but if it was materially significant then it would come back.

2210 I am quite sure if we go around this Assembly asking each Member what they considered materially significant in this context, the answers would vary wildly. So I asked him again today and he has confirmed to me that if it exceeds £26.5 million, it will come back. And it is worth noting that that £26.5 million does not include the extra £1.5 million should there be a decision to widen this runway – a figure of £1.5 million which seems slightly optimistic to me as well, on that.

2215 But moving now from capital cost to whole-life costs and revenue savings and the purported savings in choosing Option C over A, because I think a lot of people in this Assembly are leaning to Option C because they have it in their mind that the PSO will save £800,000 and that has got to be a good thing. And it is a good thing. Much has been made of that headline £800,000 revenue saving on the PSO as an overriding reason to support the more capital intensive model, but it is not the whole story.

2220 Table 7 on page 20 tells us nearly the whole story and we can see from that table that the savings to be made in choosing C+ over A are £3.9 million. So £3.9 million between those two figures and that is spread over 15 years. So spread over 15 years, that equates to an annual saving of £260,000 per year. But that is still not the whole story because there is one more element to consider and that is of course cost of capital. **(A Member:** Hear, hear.) It may not be fashionable, it may be very easy to sweep it under the carpet, but it exists.

2230 So taking the £10.3 million capital difference, because I think we are all agreed that Option A is as good as already approved in any case – it is going to be A or C+ – so we are accepting that that £14 million-ish is going to be spent, I am looking at the cost of capital of the additional £10.3 million to go to C+. If you take that and you put it in your amortisation tables, as I used to have when I was in the bank, over the 15-year life, at an interest rate of 4.25%, that gives us an additional cost of capital for C+ of £3.6 million. So if you average that out at over 15 years, that is £240,000 per annum.

2235 So that eats up nearly every single penny of the residual £260,000 savings. So in terms of savings occasioned by choosing C+, when you take into account all the factors that are in Table 7 and the cost of capital, there are none. So no additional airlines, no additional savings. **(A Member:** Hear, hear.) If Members were considering voting for C+ on the basis that even though the initial investment is a great deal more it will save us money when all is said and done, it does not.

2240 I have not included in this, and I am sure Deputy Roffey is going to leap in his speech to pick me up on this, but what I have not included in my calculation is the purported £3.5 million from Alderney. In fact, more accurately it is actually written, where we have seen it, as *up* to £3.5 million, which clearly is not the same as £3.5 million. And the reason I have not included it is because I do not think Alderney can afford it. I can understand why they have offered it, they are very keen to have C+ and have their runway lengthened, but given their financial situation, I am not convinced they can afford it, and if they cannot afford it, we end up paying. So I have not included that for that reason. It is not guaranteed and therefore it does not form part of my assessment.

2245 Moving on to more operational matters, I would like to say a word on crosswinds and aircraft handling, and this follows on to some degree from the initial comments Deputy Le Tissier made. The reason that a wider runway allows for higher crosswind limits or indeed, more accurately, less restricted limits, is because in crosswinds aircraft want to go sideways in the landing phase. But it must be stressed that just because an aircraft has a certain crosswind limit, it certainly does not mean that it will always be able to land in that limit. Other factors come into play.

2250 Analyses of days per year where crosswinds exceed the aircraft limit may well not paint the full picture. This is where the topography of Alderney comes in. Many strong crosswinds, particularly in the winter, will be from the south-south-west. In other words, coming up over the south coast cliffs in Alderney. And that means not just a crosswind, but turbulence and wind shear.

2255 In turbulent conditions, pilots carry a little extra air speed, in accordance with the flight manual, in order to maintain a safe margin above the stall speed and be better able to counteract sinking caused by wind shear. But that extra speed can have the effect of increasing the amount of runway needed to land and stop, which is not a problem, unless you do not have very much runway to start with and 1,050 metres for an ATR, even with only 20 or 30 passengers, is not very much runway at all.

2260 Sir, I have not flown the ATR and all aircraft have different characteristics. The 146 was an absolute pussycat to land even in a raging crosswind. The Dash 8-400 was horrid even on a relatively nice day. So I took the opportunity to speak to some pilots experienced on the ATR and the feedback was that it is not the easiest of aircraft to fly in gusty or turbulent conditions approaching the crosswind limit. So on rainy winter nights, when the wind is blowing strongly, albeit within

designated limits – which, let’s be honest, is not a rare occurrence in Alderney – do not be surprised if pilots sometimes think better of it.

2270 To be clear, I am not suggesting for a single moment that operating weight-restricted ATR 72s into Alderney is unsafe in any way, but what I am saying is that discretion being the better part of valour, the service just may not be quite as robust as is hoped for. And when you are down to just two flights a day, as is proposed, losing one of them becomes much more significant.

2275 So to summarise, it is important at this point to stress again that we must implement a good solution for Alderney’s air connectivity. If Option A is approved, we may not persist with the Dorniers. They never should have been bought in the first place and represent a chunk of the losses incurred in recent years. On the capital cost of the project, in my view, the chances of this project coming in at £24 million, even if that were reasonable, are vanishingly small. Only 3% to 4% inflation has been allowed in the figures for a start. It is very likely that we will exceed that.

2280 If we actually get to the point of saying it just does not stack up anymore, how much will have been spent and how much time wasted where we clearly do not want to waste any time at all? Are Members really prepared to take the risk of the delay that would come with that eventuality?

2285 So to reiterate, when all is taken into account, C+ makes no revenue savings over A and all it facilitates is ATRs with a load factor of 25% and private light jets, for £24 million. I need to know that we will not be extending Guernsey’s runway and I need more transparency from STSB to confirm that they know the only extra aircraft the longer runway will facilitate are private aircraft and not the promised airlines. And when all this is said and done, C+ eats up all the PSO savings in other costs.

2290 So sir, I will be voting for Option A, so that the much-needed work can get under way and much quicker than it would under C+.

Thank you.

**A Member:** Hear, hear.

2295 **The Bailiff:** Deputy Parkinson.

**Deputy Parkinson:** Thank you, sir.

2300 Deputy Burford has just elaborately argued that Option C+ will cost no more than Option A over the long term, or over the 15 years. She may be right that it does not produce any savings. What it does produce is a longer runway which would allow planes with better crosswind capability to land and enable those larger planes to bring in larger numbers of people, particularly during Alderney week when a huge number of people visit the Island of Alderney and when flights are constrained. So I am not persuaded that saying that Option C+ does not deliver any savings over Option A is a very convincing argument.

2305 I am not, unlike Deputy Burford, a pilot and I am certainly not an expert on aircraft types or runway construction or anything else, but I do just want to bring out one or two points which have not yet been surfaced in this debate and which I think are relevant. I think that one point which has not really been thoroughly aired is that going for Option A commits Aurigny to maintaining the Dornier fleet or other smaller planes for the indefinite future. The Dornier 228 order book is currently closed. We have heard that the RUAG have sold the production rights to the Dornier to an American company, and who knows whether they might restart production, but as of today you cannot buy a new Dornier 228, and also of course Aurigny is the only airline in Europe which is using this aircraft type. That means that spare parts are already increasingly expensive and hard to obtain. And when I say expensive, spare parts for the Dorniers are eye-wateringly expensive.

2315 So the Dorniers will have to be replaced within 10 years, because they will have got to the end of their lives, or sooner if spare parts can no longer be obtained for them. Within that timeframe, commercial electric planes will still be a dream on the horizon, so the Dorniers will have to be replaced with something which currently exists or which will be bought to the market in the next 10 years. There really is no market for 19-seater planes because they are just uneconomic to run.

2320 The main rival to the Dornier, of course, is the Twin Otter. It is quite an old design and that is reasonably widely available I understand, but the reason the Dornier was selected over the Twin Otter in the first place – well, there were several reasons, but one critical reason – was the Dornier has a higher ability to withstand crosswinds. So we would be replacing the Dornier with an aircraft which has lower performance limits. So we can argue about plane types and so on until the cows come home.

2325 I think the reality is that STSB and P&R are jointly putting forward a proposal that the States adopts Option C+ and we are doing that because we believe that is the lowest-cost option for the Guernsey taxpayer and we have not built any growth into the forecast. The calculation is built on flying a lot of empty seats around the sky, but it still is the lower-cost option for the Guernsey taxpayer.

2330 Guernsey is committed to providing a runway on Alderney under the 1948 Agreement. There has been much talk in this debate, indeed the debate has rather been hijacked by a discussion over the reform of the 1948 Agreement, and there is general agreement that it needs to be reset and the relationship between Guernsey and Alderney needs to be rebased, and I am totally on board with that. But I believe that Guernsey will always have to assist Alderney with its air services at least by providing a runway, as provided under the 1948 Agreement.

2335 The reason I believe that is purely pragmatic. Of course, like others, I like Alderney. In fact, for a brief period in my childhood I lived there. (**A Member:** Hear, hear.) But my reasons for saying that Guernsey will always have to provide support for Alderney's air services is simply this: if anyone thinks that providing Alderney with support to keep their economy alive is expensive, they should try the alternative. Because an Alderney that is dead will be a complete millstone around the necks of everyone in this Bailiwick.

2340 I totally echo comments, I cannot remember who made them, that says whatever we may think, and whatever Deputy Le Tocq may think about the relationship of Guernsey and Alderney within the Bailiwick of Guernsey, the reality is the rest of the world looks to Guernsey to sort Alderney's problems out.

2345 The political reality is, as Deputy Le Tocq *ought* to know as Guernsey's foreign relations minister, that we will not be allowed to walk away from Alderney. So I think even though some people may think it is too expensive and may moan about the cost of transferred services and so on and so forth, the reality is we have to keep Alderney alive. And I think that maintaining a runway there and ensuring that it has reasonable air connectivity is essential to that objective.

2350 As I have already said in the course of debate, P&R and STSB are supporting Option C+ because in our view it is the cheapest option for the Guernsey taxpayer. If other Members want to spend more on Alderney, fine. They can vote for Option A and, as a Member of STSB, simply, we want instruction to do one thing or the other. If we are told that the decision is Option A, we will go ahead and build an Option A runway. What we need is a decision to do something instead of endless kicking the can down the road.

2355 But we have come out and said very clear that we think Option C+ represents the best value for money for the Guernsey taxpayer. And Deputy Burford, with elaborate calculations, has proved that that is the correct, because she may think it does not save any money over Option A, but she has not proved it costs any more than Option A.

2360 So that is the basis of this policy letter, but as I also said in the course of debate, Option A has a silver lining, or additional benefits, which are not costed in. All those empty seats, which Aurigny will be flying around the skies, on the assumption that there are no extra seats sold, are actually, up to the capacity restraints on the aircraft, available for sale. An extra 20,000 seats a year over and above the PSO requirement will be available for sale and we have simply assumed that *none* of them will be sold. But the possibility that they will be sold creates the possibility of growth.

2365 We do not talk about economic growth in this policy letter – from an STSB point of view, that is not part of our mandate – but it is crucial. If Alderney is to become a strong and thriving partner in this Bailiwick partnership, then they need to grow their economy. And only Option C, really, creates that option; that possibility.

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So I would urge Members on every possible count to vote for Option C. It is the least-expensive option for the Guernsey taxpayer, there is no reason to waste Guernsey taxpayer money doing something that is less good and more expensive, and by doing this, we may help to build the infrastructure foundations for future growth in the Alderney economy, which will benefit all of us.

2375 So I urge people to support Option C+.

**The Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Thank you, sir.

2380 I am very happy that Deputy Parkinson went ahead of me, because he has given me a lot of things to talk to. Let's start off with the Dorniers. We have been told in the presentations by Aurigny that there is only one airline in the world other than Aurigny that flies Dorniers on passenger routes. We have been told by Deputy Parkinson, it is explained to us in graphic detail, why the Dornier is not a suitable aircraft and we cannot rely on it in the future. Spares are too expensive, it is not in production any more at the moment, etc. Well, who chose to buy Dorniers? The same airline that is now telling us it is wanting to fly half-empty, sorry, 75% empty, aircraft into ...

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I will give way to Deputy Parkinson.

**Deputy Parkinson:** I think Deputy Meerveld will understand that that was a decision made by a previous management of Aurigny at a time when I was not even in the States of Guernsey. I think that is water under the bridge.

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**Deputy Meerveld:** Well, it is interesting, we are still paying the bill for the water under the bridge and the problem is if we make the wrong decision here, now today, in 10, 15, 20, 50 years' time, we will *still* be paying the bill for water under the bridge. So, it is extremely relevant.

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Deputy Burford gave a great speech about the fact that this proposal makes sense from the perspective of Aurigny. If I was sitting on Aurigny, I might well endorse this plan. But it makes absolutely no business sense for the Island of Guernsey. (**A Member:** Hear, hear.) Deputy Burford and Deputy Trott at numerous times have said about the cost of capital. It is not just the cost of capital in the sense of what percentage interest rate you apply, it is the use of money over time. Do we have somewhere better to put that money? What opportunity cost do we forego by putting this capital into this investment and what real return is it going to get us?

2400

Is it going to grow the Alderney economy? Yes, it has been sold to us as a potential enabler, and I have seen the proposals of how Alderney wants to grow its economy. And you know what, they look remarkably similar to the proposals I have been seeing touted in Guernsey for the last 30 years to grow our economy. We never quite manage to do all those things. I do not think having a few empty seats flying into Alderney is going to enable them to do it either, especially considering their constraints on size.

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So as I said, this makes absolutely no business sense for *Guernsey* as a whole, and even the Bailiwick. I would say even for Alderney. It is going to increase costs, not just in the capital we spend, but also on the ongoing maintenance of that Airport. Remember, we are building now an airport. We are turning an aerodrome into an airport, which much higher requirements for security and much higher CAA requirements on how it is maintained, how it is secured, how it is managed. Those are costs we have to pay for the lifetime of that Airport.

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How long is the lifetime of an Airport? Well, the existing one has been there for 54 years. We are now being told it is at the end of its life and we need to repair it – and I do not see anybody arguing that we do not have an obligation to repair it. But now we are being asked to expand it considerably and change its classification for an aerodrome to an airport. So we are going to be expected to maintain that for the next 50 years. We are taking on a long-term liability for a projected, maybe we will achieve it, 15-year saving, which as Deputy Burford has illustrated and Deputy Parkinson has admitted, probably does not exist.

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2420

2425 So aircraft, airlines. Strange: British Airways has more than one type of aircraft. So does pretty much every other airline I can think of. Why? They fly the aircraft appropriate to the *route*. Again, I can see why Alderney would want to consolidate down to one aircraft type. I can see how that would make savings for them in this specific situation, where they are being obliged to service a route that they would never choose to do if they did not have an obligation and an instruction to do so.

2430 So I can see why they would want to do it, but the fact is the ATR 72 is not ... you would never think of flying that into Alderney. Let's be quite frank here: we are building an Airport *around* an aircraft type. An aircraft type that will not be around in 50 years' time when we are still maintaining the Airport. If Aurigny was flying ATR 42s instead, we would be having the runway we have got. We would carry on flying ATR 42s, or we could extend the runway and fly them in at full capacity. But we do not, we have our ATR 72s. So we have an airport designed around an aircraft and we are being expected to fund that for 50 years.

2435 We are looking at savings. Deputy Burford has already illustrated why there are not many real savings, a point that Deputy Trott has raised numerous times, and has gone through the maths. These savings are based on assumptions of how airlines will work, how many passengers they are going to have, how many Aurigny passengers are going to fly and all the other assumptions. Again, one of the things I said on a previous amendment, the standing joke in the airline business is how to make a million dollars out of an airline: invest a billion. Because it is such an unpredictable business.

2445 The fact is we could put this money in, build this runway and then find that circumstances have changed and we actually end up with a much larger loss. Or we could extend our own runway and have Aurigny turn around and say, 'Actually, we want to fly 737s now.' Or we could have Gatwick turn around and say, 'We're not allowing turboprops in.' Oh dear, we need jets. Any number of things can happen that would throw this out. We have an equation here that to me just does not pass the sniff test, the basic common sense test.

2450 Alderney said, 'Oh, we'll chip in £3½ million.' Okay, where is that £3½ million coming from? 'Ah, we would like to borrow it from you.' Okay. So what interest rate are you going to pay? What collateral are you going to put up for that loan. Or is it simply a case that you are going to borrow money for the bond and in the future, when you cannot repay it, Guernsey will have to write it off? Guess what, Guernsey taxpayer gets to pay again, because I do not see any guarantees. If you have got to have a loan there, P&R, I would say, if C+ goes through, I would like to see P&R asking for physical land as collateral for that loan, so at least, if that loan is defaulted on, Guernsey gets something out of it.

2460 If we look at the next 50 years, Deputy Gollop, I did not jump up to correct him. I did not do a point of correction because I knew I was going to speak after him, but he said earlier that the days of single-pilot operation is gone. And that is true. Current regulations, for a turboprop aircraft, you have to have a dual operator, or a twin-engine turboprop. But in the general news, in the last *week*, there have been articles about the moves and pressures from airlines in the considerations of regulatory bodies to allow single-pilot operation of twin-turboprop aircraft for exactly the reason that it is not economical to have two pilots on it. So that might be changing and not in the long term, in the relatively short term – certainly earlier than 15 years.

2465 Gatwick: numerous times we have heard them discussing the idea of banning turboprop aircraft from landing. Again, that would affect the type of aircraft that Aurigny would be flying. It is always on the horizon. And if air traffic carries on being as popular as it is, it is very likely eventually they will do because turboprops – I am sorry, I will not be giving way – are smaller aircraft, less landing fees, less passengers throughput and worse still, they are slow in a circuit and they have to leave a greater space in between them and heavier aircraft to allow for safety because of weight turbulence.

2470 Then of course we have got the idea of future aircraft and electric aircraft further down the line. Yes, they may be a decade or two away, but they are definitely within the time horizon of the 50 years that we will be expected to maintain the Alderney runway.

2475 Other interesting things that came up: Deputy Ferbrache, on one of the previous amendments mentioned about the very good presentation, very moving presentation, we were given by the Alderney Chamber of Commerce at the last meeting at a lunch at the OGH. They stood there and they said, 'We want the service the Scilly Isles has.' Okay, so I had a look at the service the Scilly Isles has. Alderney population, according to Wikipedia, 2,039 people. Scilly Isles, 2,153. They are both about 40,000 to 50,000 passengers a year. The existing runway in Alderney: 880 metres. The runway in Scilly, 649 metres – 21 metres *shorter*. (*Interjection*)

2480 Type of aircraft we fly? Dorniers and we are proposing ATRs. Type of aircraft they fly in there? Twin Otters. We could actually say, 'I tell you what, let's save £2½ million. Let's only repair 700 metres of the Alderney runway and get some Twin Otters. There is £2½ million towards the pot.'

2485 Then, I am going to close off by saying, just making some predictions. I do not do it very often. In the last term, I made predictions about the two-school model and Island-wide voting. More recently, in this term, I remember mentioning about stagflation about 18 months, two years ago, and there were sniggers and some derision from the Assembly. Yes, Deputy Trott is shaking his head – no he did not. At 11% inflation and the Bank of England predicting the longest recession in memory, I think people will be getting to understand what that word means.

2490 Well here are my predictions about this. If today we approve C+ as an Assembly, by majority, it will never be built. We will spend a year, we will waste another year, repairing and maintaining a dilapidated runway, and in a year's time, or within a year, P&R will come back to us and say, 'Actually, no, it's not £24 million, it's £30 million, it's £36 million, it's £42 million is the real cost.'

2495 Because, believe me, when you do this, you are not going to stay to 23 metres, you need to widen to 30, otherwise you do not get those crosswind advantages, and you are going to end up with your construction costs as being far higher than the real tendered cost being far higher. So it will not get built.

2500 But let's just assume that it did. There was some miracle that somebody decided to chuck in a subsidy or somehow we managed to get it built. Then those who were not here last term will have missed out on the joy of the daily update from Alderney Representative Roberts on how bad the connections were and how many failed flights there were to and from Alderney *every single day!* Well, we will be going back to those. Because I tell you what is going to happen. You are going to end up with complaints from Alderney about the service being provided by Aurigny with ATRs and those complaints will be based on two bases.

2505 One, the frequency of flights; but more importantly, the fact that those flights cannot get in and out. For as the reasons that Deputy Burford gave, I have also spoken to ATR pilots and they said on a windy, wet day, after dusk on a winter's night, 'I'm not going to put my ATR down on that runway on the *absolute* bare minimums of the distance allowed with the derogations and the reduction of weight. It is just too dangerous and why would I risk my entire flying career by trying to do so?' So they will abort and they will come back to Guernsey and there will be a positioning issue for the aircraft the next day. There will be missed flights and with only one flight exchange in the morning and the afternoon, guess what, the service is going to be appalling and –

**Alderney Representative Roberts:** Correction, sir.

2515 **The Bailiff:** Point of correction, Alderney Representative Roberts.

**Alderney Representative Roberts:** Correction: there will be three flights. There will be one in the morning to Guernsey, one rotation to Guernsey in the evening and there will be one rotation to Southampton. So that is three flights, not two flights.

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**Deputy Meerveld:** All the more to get wrong.

So they are my predictions. If C+ is approved today ... I want A to happen. I want Option A to be approved, I want to have STSB and P&R go away, with Aurigny, and look at using alternative

2525 aircrafts. I like the original Burford amendment and the suggestion in there, in Proposition 3 of the Burford amendment, that suggests a circular route and exploring that.

There are other ways to skin this cat and come up with something that is better for Alderney, better for Guernsey, better for everyone. But if C+ is approved today, my first prediction is it will never get build and in a year's time we will be looking to repair the existing runway and find an alternative, the decision we should have made today.

2530 If it is, by some miracle built, Alderney will not end up with the reliable, resilient service they imagine they are going to have and they will be complaining to us to do something about it because their economy and their society will be suffering because of the failings that we have made today. So I leave that with you, with one last thought of war of course: anybody like myself who does not want GST, do not start voting for large capital projects, because how are you going to pay for them?

2535 Thank you.

**The Bailiff:** Deputy Trott.

**Deputy Trott:** Thank you, sir.

2540 I am only going to make four points and I am going to make them briefly. I am going to start with ... I am going to talk about Guernsey and its place in the global financial services marketplace. We are a centre for excellence in green finance. We are all very proud of it and we are recognised as such – we put quite a lot of work into it. It is difficult for me to imagine a more absurd, anti-environmental policy than this ludicrous idea to fly very large aeroplanes, relative to what we are  
2545 used to, in and out of Alderney with 60% capacity on a good day. That will be the best it will ever get.

Aircraft burn the most fuel taking off and the distance, of course, between Guernsey and Alderney means that the journey time will be about 15 minutes. So not only will the fuel consumption relative to other journeys be enormous, but the rate between that fuel burn and the number of passengers shifted, that were carried, will be very material indeed. This goes  
2550 fundamentally against our assertions that we are a proper, or we are trying to be a proper, green economy. You could not get anything more polar opposite. It makes no sense whatsoever.

I now want to talk about construction costs, because I do wish I had had this report, 'Alderney Airport Runway Rehabilitation', this table in front of me beforehand, because I remember at the presentation I attended Deputy Susan Aldwell making a very valid point and everybody around the  
2555 table nodded, when she said, 'I very much doubt it'll be built for that.' Now I see these numbers, I really do think, and I have thought carefully about using this expression, sir, but I really do think this is Walter Mitty economics.

Because we are told that the tender inflation allowance for Option C and the construction inflation allowance – and I think Deputy Burford mentioned this – is 3% of the construction costs. Is  
2560 there anybody in this Assembly who believes that construction prices are rising at only 3%? *Retail* prices across the sterling zone are rising at over 10%. And what is the largest factor of that? Well, it is the price of energy and indeed the price of oil as well – and much of this expense will actually be the oil that goes into the tarmac to cover the runway.

No, 3% tender price and construction inflation. It is insulting! I will go as far as to say it insults  
2565 my intelligence, as a States' Member, to expect me to believe that that is a genuine forecast. Of course, it is being done like that, I believe, in order to make the numbers more palatable. I see Deputy Roffey nodding and he is a man of utter integrity, he knows what high regard I have for him, but come on! We all live in the real world. We know what is going on around us. Inflation is galloping away.

2570 Back in the noughties, sir, when I was on the Board of Industry, I was asked to lead on a report called 'Constructing the Future' and one of the aspects back then was that tender price inflation was galloping away at the rate of 36%. So if we commissioned a construction project in the January of one year at £10 million, we were expecting it to cost us £13.6 million at the end of that year. It is absurd. There is just no other way to describe it. It is absolutely absurd.

2575 So will this project come in substantially higher than £24 million and substantially higher than £26.5 million? I think any reasonable person would conclude that it must. Unless, of course, these baseline figures are so patently wrong at the start that there is so much fat built into them that they could absorb that indexation. I do not believe that is the case.

2580 In terms of other risks, we have here a 'preliminaries' figure of £3½ million. What does that mean? Well, it basically means it is getting out of the ground. It is doing the groundworks. It is before you get started properly. And the difference between the groundworks on Option A, at £2.15 million, and the groundworks on Option C at £3.5 million, I think you can see, sir, that there is significant risk even getting to that stage.

2585 The next thing I want to talk about is the cost of capital, because I have complained bitterly throughout this debate at the inconsistencies of the way we have treated capital. The Chief Minister was very good yesterday – or was it the day before, I forget which – when he said what the real cost of capital is and of course it really does matter. I am not going to insult the Assembly's intelligence by saying you can only spend it once, but you *can* only spend it once, unless you have a repayment process in place.

2590 So we have not factored in the cost of capital. Of course we should. This is an *operational* Airport. Of course it should have a cost of capital associated to it. But what we have done, bizarrely, is we have said it is okay, we will lend you, Alderney, £3½ million so you can give it back to us, but we are going to charge you interest on it, because we understand the importance of valuing the cost of capital. This is how ridiculous ...

2595 I will give way to Alderney Representative Roberts, who I want to say at this stage is another man I hold in particularly high regard.

**Alderney Representative Roberts:** I hold you in high regard as well, Deputy Trott. But I always struggle with the argument of capital because if you apply ... Governments would rarely, in days of inflation or cost inflation, attend to any significant infrastructure projects, especially ones primarily driven by social needs. Example: hospitals, schools, that would never be started if you worried about capital. I would argue that Alderney Airport is as much a part of Alderney's and the Bailiwick's essential social fabric, as it is economic. If governments shy away from capital projects, they leave a legacy of crumbling essential infrastructures for future parliaments to pick up.

2605 Thank you.

**Deputy Trott:** Sir, schools are not trading entities. We are not being presented with a set of numbers. We are being presented with a set of numbers here, which I will come back to in a moment, but we do not with schools in that sense. Schools are very different than an airport, which is a trading asset.

2610 I would remind Alderney Representative Roberts that there is an enormous global infrastructure market. It is one of the most attractive investment opportunities at the moment and it has been for some time, because infrastructure projects have a yield. People pay back infrastructure projects, whether it is using a toll going across a motorway bridge, or ... I can think of dozens of different examples, but let's move on, because I want to get back to the cost of capital.

2615 We have a situation here where we are prepared to charge Alderney to borrow some capital, but we are not prepared to accept that it is absolutely appropriate that we also charge capital against a trading operation. And it is *always* how it used to be, back in the day when we had the Ports Holding Account, back when a senior civil servant, sir, and I worked closely together. It was a fundamental: you charged an amortisation, because you knew that you were going to have to spend the capital again at the end of the whole-life costing and you needed to have that sort of sinking fund, exactly the same principle with the bond fund.

2620 The final thing I want to mention is this issue of duty of care, because I agree absolutely with Deputy Meerveld. I believe if we go ahead today and foolishly back Option C+, it will not get built. The reason it will not get built is because when we see the tenders, I think we will all shed a few tears. That is my considered opinion. However, I understand the urgency. I do not like the fact that

three tonnes of siftings, apparently, have been removed from the Alderney runway baseline and I want this done quickly.

2630 I think we have a duty of care to our cousins and friends in Alderney to get this runway remediated as soon as possible. And Deputy Burford has reminded us repeatedly that if you want this done quickly, if you want that runway serviceable, so that many of the problem that they have experienced over the last few months and years become a thing of the past, you vote for Option A. Because that will get it done. It is not a case of it will get it done quicker – *of course* it will get it done quicker than Option C+ – but it will get it done. And I suspect if we *do not* vote for Option A, 2635 as things move on and all the tensions associated with the tax strategy, it may go on being remediated and never get done. And let me tell you why I say that.

2640 Because in my first term in the States, and I suspect Alderney Representative Roberts will remember this – I am not sure if Deputy Snowdon will, he may have been too young – but there was a very big debate on what we should do about the Alderney runway. And the cost back then was ... it was £25 million. And the Alderney Representatives told us repeatedly that if we did not spend £25 million on carrying out significant structural improvements to the Alderney breakwater, the end was nigh. Indeed. St Anne's would be washed away in a tempest one night.

Of course the States very sensibly rejected that claim and has undergone a process of repairs ever since. It is still there, sir. The world has not ended.

2645 Sometimes I think we can be a little bit excitable. What is Deputy Roffey saying *the death knell*. Come on. You have been around here, through you, sir, Deputy Roffey has been here long enough to know that we do not inject those sorts of comments into a debate of this nature, particularly when there is a perfectly reasonable and completely sensible option, which is Option A.

2650 I do not know if anyone is under any doubt, sir, but I intend to vote for Option A, because I do think Option C+ is genuinely barking. And I think there are lessons to be learnt here. The lesson for the Policy & Resources Committee is that it has to be better than this in the future. This sort of presentation, with so many gaps, so many flaws, so many unknowns and so many faults around proper assessment of risks around tender inflation and construction inflation in particular in this environment, must not happen again.

2655 Thank you, sir.

**The Bailiff:** Deputy Leadbeater.

**Deputy Leadbeater:** Thank you, sir.

2660 I am going to speak just about Aurigny, to be honest. I focus on Aurigny because, for me, Aurigny is part of our air infrastructure, along with the Alderney runway and Alderney Airport and Guernsey Airport. The States agreed to purchase Aurigny in 2003. Holding company Cabernet Ltd was established, fully owned the two operating companies, Aurigny Air Services and Anglo Normandy Aero Engineering.

2665 The States then acquired 100% of the equity of Cabernet Ltd, now referred to as the Aurigny Group, for the sum of £5 million.

2670 Since then, its financial performance has been as follows. In 2004, it made a £2.07 million loss; 2005, £0.74 million loss; 2006, £0.25 million profit; 2007, £0.24 million profit; 2008, £1.97 million loss; 2009, £1.81 million loss; 2010, £2.07 million loss; 2011, £0.72 million loss; 2012, £3.03 million loss; 2013, £3.92 million loss; 2014, £3.5 million loss; 2015, £3.2 million loss; 2016, £5.2 million loss; 2017, another £5.2 million loss; 2018, £4.9 million; 2019, £9.7 million loss; 2020, COVID territory, £28.6 million loss; and 2021, £14.9 million loss; making a grand total of £91.04 million loss.

2675 It should be noted, though, that £30.6 million of these losses are attributable to the impact of the COVID pandemic in 2020 and 2021 and £8 million attributable to impairment of aircraft values during the pandemic period. So that leaves a combined loss of £52.44 million since we have owned and operated the airline. That equates to more than £3 million on average in each year or, in Deputy Trott terms, in excess of £26,000 per head of population in Alderney. (*Interjection*) Do we want that to continue? No. Of course we do not.

2680 In 2021, a report presented to this States projected that under its new business plan, the Aurigny Group's financial performance for the period 2022-25 will be as follows: 2022, £1.4 million loss; 2023, £0.3 million profit; 2024, £0.6 million; 2025, £0.3 million. The ongoing monitoring of Aurigny's performance of Aurigny's performance during 2022 indicates that it will meet or exceed its targeted performance this year, prior to reaching a breakeven position next year, in 2023.

2685 Sir, the recent figures are far more appetising than those seen over the previous 15 years or so, and that has not happened by magic. It has happened because we have a CEO at Aurigny with vast experience in operating airlines and low-cost carriers with a credible, progressive vision for the airline and the ability to get things done. This should be music to all our ears. Someone has come along with a credible plan for the future direction of the Aurigny Group and the Bailiwick's air connectivity and in the short space of time that he has been at the helm, we have seen progress.

2690 For the first time since we have owned the airline, things are going in the right direction. And all Members at some point would have met and listened to the Aurigny CEO and the Chairman about their vision for the business. I was impressed with what I heard. It makes total sense and I am prepared to back them with their plans. But backing them includes providing the required infrastructure in the Bailiwick that will enable the full rollout of their plans and Option C+ is fundamental to achieving that.

2695 Supporting any alternative to Option C+ is a vote of no confidence in the current Aurigny board, in my view, and will do nothing to help them turn what has been a massive drain on the public purse into an economic enabler for the entire Bailiwick. We either back them with their plans, which include rationalising the fleet to ATR assets only, or do not back them and continue providing a poor service at a great cost to the taxpayer. It is really that simple.

2700 I would challenge any Member that seeks an alternative to Option C+ to explain to the rest of us exactly how their preferred option would synergise with Aurigny's business plan, have they discussed their options with the Aurigny board? Maybe yes. But I doubt they received any positive feedback. Surely a shift of this type of magnitude, and by that I mean the States not supporting Option C+, in the business of any company, especially an airline in the current climate, will have massive ramifications, not just on the potential profitability of the business but even for its continued viability?

2705 Do we want to continue pumping taxpayers' money into Aurigny each year, just as we have been doing for the last 18 years? Surely not, sir. So why would anyone want to hamstring the Aurigny board in delivering their business plan, which aims to get us out of this mess, by not backing them when they have brought forward the only sound plan for the Bailiwick's air connectivity and the business since Aurigny has been owned by the States.

2710 Why would anyone want to do that? It makes no sense. I can see Alderney Representative Snowdon nodding, as he would, but it makes no sense. So I would just ask Members, sir, please support the Aurigny board, the STSB and P&R in delivering Option C, so we can begin on the pathway to better air links Bailiwick-wide.

Thank you, sir.

2720 **The Bailiff:** Deputy Roffey.

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

2725 The STSB is the humble operator of Alderney Airport and of course we will operate whatever sort of Airport this Assembly tells us to operate, with whatever length of runway. The STSB has no ideological desire to see a longer runway. We certainly did not start from a particular point of view. We are not inflicted with some sort of weird impulsion to see ATRs operating into and out of Alderney, and we would certainly never sign up to a 'build it and they shall come' philosophy. That would not be a safe basis for any business planning, not at Alderney Airport and not at Guernsey Airport.

2730 That said, as operators, and therefore with the relevant expertise amongst our officers, we were charged with looking at what sort of new runway Guernsey should ideally provide for Alderney, as

required under the 1948 Agreement. And I do not think there is a single Member of this Assembly who would dispute that a new runway is needed and needed pronto. So we definitely do need a decision today.

2735 Sir, at times I can be a passionate politician. That is because I really care. I really care about some issues on a matter of principle and because I am driven by principle, I am desperate for the vote to go the right way. This is not one of those occasions. Neither I, nor the STSB, have any emotional investment in the outcome. Rather, we have carried out a dispassionate and analytical piece of work. Perhaps one of the reasons why I am so outraged, again, by Deputy Trott, for the second time in not many hours, when he suggested that the figures in here were actually cooked to provide a certain picture to lead to a certain outcome.

2740 We were not starting from the point of view of having an outcome and the idea that a firm like AECOM one of the world's leading firms in this sort of area would be privy to that sort of behaviour really is an outlandish suggestion. I do not know where tenders will come in, I will return to that later, but absolutely the suggestion that the figures have been portrayed in a way to try and lead down a particular path is absolutely outrageous.

2745 As I said, it was a dispassionate and analytical piece of work, so if the States decide to go against our recommendation, our reaction is not going to be one of indignation. Frankly, it will be one of pure bafflement over why this Assembly would choose to spend more Guernsey taxpayers' money over the medium term to provide Alderney with an inferior result.

2750 And at that point I will pick up what Deputy Le Tissier said. He said, if voting for C+, will that mean that people turn round and say that he has to vote for GST? No. Voting for A, which would cost the Island *more*, would be far more of a driver towards actually having to introduce GST. But we must not pre-debate that this side of Christmas. But the driver here is that C+ is a more cost-effective result. In fact, in carrying out the task of appraising the options for the Alderney runway, the STSB was focused one thing and one thing only. Our sole focus was which option would provide the best value of money for both the Guernsey and Alderney taxpayer.

2755 Whatever was going to emerge as the most cost-effective solution was always going to be the one that we would be recommending to P&R. However, we did quite rightly look at the relative whole-life costs of the various options, not just the upfront capital costs. Indeed, it would have been perverse to do anything else. So of course the initial capital costs are important, a big part of the calculation, but so are the follow-on capital costs and the operating costs.

2760 We have included the impact on the cost of Guernsey, of P&R, providing a PSO to allow a good level of continuing air passenger services into Alderney. But actually, that is not reliant on Aurigny continuing to be the PSO provider. Although I have to say that experience tells us that despite bucketloads of rumours and gossip, when push comes to shove, Aurigny does tend to be the only realistic game in town and frankly I do not expect that to change.

2765 But if it did change, I tell you what, P&R would certainly need to be 100% convinced of the longevity of any replacement operator before awarding them the PSO on the basis of the current runway length. Because as soon as Aurigny was off that route, it would dispose of its dedicated fleet of two small, 19-seater aircraft. Why? Because that bespoke fleet and its support system costs an absolute fortune for very little return. Hence the need for the current £2-million-a-year PSO.

2770 So the very expensive small planes would go and do not expect Aurigny to just step back in and provide the service again if any new operator could not maintain the service some time down the road. How could they? They would have disposed of the Dorniers and to go out and buy a single new one, presuming, as Deputy Parkinson has said, production had started again, would cost almost exactly the same just for one Dornier as the cost of extending the Alderney runway to allow their ATRs to land there.

2775 Yes, there probably are slightly cheaper small planes out there – not many. Really just the Twin Otter and that is only a smidgeon cheaper if you are looking for an aircraft with similar capacity. And of course there are much smaller aircraft as well. But I tell you what, if operating a bespoke service to a community of 2,000 with 19-seater aircraft is a mug's game – and it is a mug's game –

then those costs pale compared to trying to do it with a much bigger fleet of nine-seaters. And the capital cost is just the start.

2785 The capital cost is very significant. I heard, I think it was today, it may have been yesterday, Deputy Burford say that actually the capital costs, whether it is an extra ATR or splashing out on small, 19-seater aircraft, are very similar. I do not know much about acquiring aircraft, but speaking to people who really do, they tell me it is much easier to lease an aircraft like an ATR than to lease 19-seater aircraft, because that is not the normal model for acquiring 19-seater aircraft. They normally are purchased, rather than leased. So there would be the need for more capital up front.

2790 But the real cost is not the capital. Whether for Aurigny or for any future operator, the real cost is in keeping a fleet of at least two small aircraft solely for the Alderney route. Think of all the spares, the specially trained mechanics, the specially trained pilots, just for that aircraft type, just to service a market of 2,000 people. And perhaps the biggest cost in there is needing a spare plane to cover for routine servicing and any technical failures. Basically, you need a 50% spare capacity built in to your business model.

2795 Members may ask, 'Well, won't that be the same? Won't you need spare capacity if you had to start operating ATRs?' Yes, you would need some spare capacity in the fleet, but that same spare capacity would cover all of the routes, not just one, so it would be *far* more cost-effective. And if there was a perfect storm, and multiple aircraft were out of action at the same time, it is just so much easier to lease in another aircraft short term if you are not having to look for the sort of specialist small planes which are the only ones that can operate into Alderney's existing runway.

2800 This is not just theoretical. We found this out, did we not, at Easter this year. One Dornier, having unavoidably delayed annual maintenance – it was not planned to happen at Easter – the other one goes tech and because it is a busy time of year, *no* specialist small aircraft available for short-term lease. Cue a series of small boats trying to provide relief service because the air link is down for a considerable period of time. It would have been so much easier to put that right if ATRs had been able to land in Alderney.

2805 But if this business model is so problematic, the way I am describing it, how did it work in those good old days that everybody still hankers for? The ones that a few of the older Alderney residents are still very much in love with? Although I have no doubt, like Deputy Ferbrache, having been in Alderney and engaged with the public, that the vast majority of Alderney residents back C+. Well, it did work in the old days, because Aurigny had quite a large fleet of Trislanders, whose overwhelmingly main task was to service the Guernsey to Jersey route. Alderney was the add-on and it worked okay.

2810 But this Assembly put the kibosh on that by opening up the Jersey route to multiple operators, all of which lost money hand over fist, leaving the last man standing to do what? The last man standing on that route decided to reduce costs by swapping from smaller aircraft to ATRs. They did not do that for no reason.

2815 So there is no going back to that world. Well, some would like us to look at it and I am not against looking at it, but frankly it is vanishingly unlikely that we will actually achieve it. To do so would require Blue Islands to just step off the Jersey route and for this Assembly to somehow move away from quasi-open skies and guarantee Aurigny sole operator status on that route for years to come. If all of that happens, then hurrah, hurrah, but frankly it is just a pipe dream.

2820 Then and only then might it make sense to maintain a mixed fleet of ATRs and small aircraft. But it still actually would not make optimum sense. Why not? Because, as I explained in relation to the Burford amendment yesterday, or whichever day we discussed it, for a modest investment in Alderney, that would allow Aurigny to operate all of the inter-Island links between all three Islands far more cost-effectively, using their ATR fleet between all three Islands.

2825 And do not forget that the net cost to Guernsey of extending Alderney's runway is circa £2.75 million, far less than the cost of one new, small aircraft. And I say in passing that Deputy Burford, when she was referring to the cost of capital, was doing the difference between the cost of A and the cost of C+. But, Members, A does not include the cost of doing either the terminal or the fire station and you must know, it is a 54-year-old prefab. It leaks all the time. That

terminal, we might be able to keep it going a little bit longer, but it is going to have to be replaced  
2835 sometime soon and same with the work for the fire station.

So the actual additional cost of the runway is far less than that and that is therefore the only  
difference in cost of capital that should be taken into account. In fact, the actual cost of the runway  
itself extension is even cheaper. The construction of that 170 metres, the actual construction cost,  
2840 is about £2.6 million plus £300,000 in land purchases. So the runway extension itself costs less than  
the cash that Alderney was bringing to the party.

People have said they are not really bringing it to the party because it is sort of a circle and  
Guernsey we will have to provide it for them. But no. At the moment it is coming from sources that  
Guernsey has already decided that Alderney can keep for on-Island purposes. So instead of using  
them for the other things that they are able to do, I think £1 million is coming from their reserves,  
2845 the other £2.5 million from cash that they are already permitted to keep. So it makes a genuine  
difference.

I do confess, sir, there is one scenario under which C+ would *not* offer the lowest whole-life cost.  
That would be if the States of Guernsey had no intention to issue any new PSOs to maintain  
passenger services to Alderney once the current one runs out. Because obviously no PSO equals no  
2850 savings available on a PSO. But it also certainly means no decent airline service to Alderney  
whatsoever. If that happens, then to quote *Jaws*, we are going to need a bigger boat. (*Laughter*)

I know there are a small minority of Guernsey States' Members who would actually favour that  
approach. After all, as has been said already today, the 1948 Agreement only guarantees Alderney  
an Airport, not an air service. That is absolutely right. But I hope it is only a small minority, because  
2855 I know people think it is hyperbole, but it is not: not having a decent, regular air service *would* be  
the death warrant to Alderney as a viable community. It is such, that connectivity is so crucial to  
them. So why would we do that? And how could we expect anybody to operate a small aircraft  
service to Alderney unsubsidised? Almost no such service is operating profitably.

That is why there are so many PSOs in place around the UK and around Europe, *many* of them  
2860 to small island communities. They all experience the same situation. But what I want to stress is that  
the business case we put forward in the policy letter for Option C is incredibly conservative in many  
ways. Deputy Parkinson has stressed the fact that it creates 20,000 additional seats per year on the  
Alderney routes. But in reality it is likely to be *far* more than that, because that calculation is based  
on the maximum load restrictions caused by the most difficult weather conditions existing every  
2865 day of the year. Of course that will not be the case.

For example, the maximum load restrictions tend come on windless days but as people know,  
those conditions are actually quite rare in Alderney. By the way, people have said how many people  
could be on an ATR landing on this new runway in Alderney? Actually, it could take a full payload.  
It could not take off again, (*Laughter*) so you would be slowly filling up – unless they went out by  
2870 boat – Alderney by taking more people in than you will be taking out, but that is probably quite  
good for their economy, so maybe that is a model that we should be looking at! But when Deputy  
Meerveld says when that pilot is trying to land with a maximum pay restriction on a windy day,  
actually, there is no payload restriction for landing. It is the take-off that is the issue.

But the business case is conservative in another way. Despite the extra capacity and the extra  
2875 resilience it will provide, the business case is not predicated on a single extra passenger travelling  
to or from Alderney. That does not mean it will not happen. It just means that if that happens, it will  
be a pure bonus.

So sir, I have got two hats on here. The STSB hat, President, has done this purely on cost  
reduction, benefit to the taxpayer, no predicated growth. But my Deputy Roffey hat on also says it  
2880 actually provides that possibility, and as a representative within this Bailiwick, I think that that  
potential for growth to Alderney, and they believe that they can do it and that this will unlock it, is  
absolutely a precious commodity and that we should go for it. So you do not need it to make the  
business case stack up, but the fact that it is there is I think something that Members should bear  
in mind. Because without opening up the capacity, you are really choking off the likelihood of that  
2885 ever happening.

I said earlier that my experience with talking to people in Alderney about this project and the possible option leaves me in no doubt that a huge majority, particularly those of working age – I have to say – want C+ to go ahead. And why would they not, when it brings so many advantages, which I will come to in a minute. But let me just reiterate one thing: it is pure serendipity that the most cost-effective option for the taxpayer also happens to be one that potentially does so much for Alderney and is therefore proving so popular up there.

As I said, I am delighted that the option with the lowest whole-life cost is also one which brings plenty of advantages to the northern Island, but that is not the driver in this particular case. And it is not just the extra seats that they would happen, it would be so much better resilience and the sort of future-proofing which can only help build confidence in the Island's future.

People say this is being built around Aurigny, but Aurigny actually will not, on the Alderney route, be any financially better off from this, because the savings on the Alderney route will be absolutely translated into a lower PSO, so it is the taxpayer that will be. However, having said that, there is a benefit to Aurigny in going down this route and it is not included in the business case, because we were determined only to include those financial benefits accruing directly to the taxpayer.

But while there will *not*, and I stress this, there will not be an ATR dedicated to the Alderney route going backwards and forwards with little hops damaging its engines all the time. It will be served by the whole fleet and the plane that goes to Alderney in the morning may well be going to Manchester in the afternoon. While there will not be a dedicated plane, the calculation for the PSO savings are based on one additional ATR in the fleet replacing the two Dorniers.

But the planned two Guernsey rotations a day and one Southampton rotation will not take all of the capacity of that ATR. There will be some to spare. So it can be used to provide extra capacity on other routes. One idea that has been floated is perhaps a daily Paris rotation. The market research is still to be done, but there will certainly be some spare capacity in that ATR to serve elsewhere.

Not a direct benefit to the taxpayer, so it is not in this business case, but it is a hidden financial benefit to Aurigny and as Aurigny is owned by the taxpayer, if we had been stretching our point, we probably could have included it. But we did not because, once again, we have been trying to be very conservative in drawing up this business case.

So in drawing to a close, although I will probably respond to a few points to save Deputy Ferbrache having to do all of them at the end, but drawing to a point of close of my prepared speech, I repeat that STSB has got no weird ideological kink to operate larger aircraft into Alderney, but at times it seems as if a few lobby groups are completely driven by some romantic desire to insist that they should not. As a result, we have had to deal with an absolute welter of complete misinformation, distorted so-called facts and wild overestimates of costs.

Of course I accept that no one can be sure of the capital costs until we have been out to tender, but the estimates provided by the STSB via AECOM are as robust as they can be and based on the very best technical advice by experts in the field.

And do not believe this saloon bar stuff that when the tenders come in, they are always much higher than the Guernsey estimates. Deputy Brouard is currently doing a massive revamp of the PE Hospital. I was there the last time round when it was a clinical block and the other various things and on every single occasion the tenders came in *lower* than the estimates that we had provided to this Assembly. And the only other really big one I have been involved with recently – it never actually came to fruition – was the two-school model. It never got built, but I tell you what, it was surprising that when the tenders were opened they were *way* below the estimates that had been given to this Assembly.

I am reluctant to give way, but I give way to Deputy Trott.

**Deputy Trott:** Deputy Roffey will remember, sir, that I always give way to him. He is always somehow hesitant to give way to me and I do not know why. *(Interjection and laughter)*

The reason I could not stand on a point of correction, because what Deputy Roffey said was true. During *his* time in the States, he has not seen an inflationary environment that was abhorrent in every sense because he was not here between 2000 and 2004, when every single capital project the

2940 Assembly undertook was massively over time and massively overspent. That was the reality of that term and the symptoms *then* within the construction market, with firms, construction companies collapsing and the like, is very similar today. The future does not look good. We are in a significant tender price inflation environment already and my guess is, or my evidence-based prediction is that things will get an awful lot worse before they will get better.

**Deputy Roffey:** Unusually, I did actually turn it off.

2945 I am going to cut out a bit of that. One thing that has been said to me is £6.25 million to extend the runway – actually, to extend the runway and do some other stuff to allow ATRs to land – is that not incredibly cheap? How can it be that cheap? It is not at all cheap, because a very significant part of these types of specialist capital works in remote – sorry to characterise Alderney as remote, but – communities like Alderney is the cost of mobilising the specialist contractor, the specialist staff, the specialist equipment. But in this case they will already be mobilised to rebuild the existing length of runway.

2950 They will have their specialist staff there, they will have their giant rollers there, they will have established the tarmac-patching plant on site, and therefore it is just a case of building an extra 170 metres. Far cheaper than doing what Deputy de Lisle said: 'Well, if we can afford it in future, let's go back and do it again.' Just look at the Guernsey runway and costs it will cost if we do decide to extend it and how much more that would have been as if we had done it when Lagan were actually rebuilding the runway.

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2960 There is one other thing I want to mention, and I know time is getting on, but actually I regard this as important. It may not be seen by many in this context, but with my ESS hat on and my Disability Strategy hat on, I regard it as absolutely crucial. Alderney at the moment is an absolute disaster area for anybody with even limited mobility, let alone disability. Just to come down off the runway to the arrivals hall you have got to come down a flight of steps. When you want to get back out, when you have been through security back on to the runway, you have got to go up a flight of steps. And then we have got 19-seater aircraft, they are an absolute nightmare for people with limited mobility to get into.

2965 If we go ahead with C+, that will be resolved. It will be level access on to the runway and we will have the equipment up there which can work with an ATR, but not with a smaller aircraft, to allow people with disabilities or limited mobility easy access onto those planes. I think I would be letting my responsibilities down if I did not mention that in passing.

2970 Just before moving on to a few of the particular points that have been raised, I want to put two other matters to bed. Firstly, will ATRs actually be able to operate on to the length of runway proposed under C+? It is not just Aurigny who are saying yes, and ATR themselves who are saying yes, and the CAA who have raised no objections at all during our consultations, but exactly the same aircraft are operating regularly on runways of the same length. Thousands of take-offs and landings by ATR 72s going on in destinations as diverse as tropical Fiji to northern Canada on the Arctic Circle. So yes, I know the wind comes over the cliffs at the south, but the winds blew howl on the Arctic Circle as well, I can tell you.

Yes, I give way to Deputy Meerveld.

2980 **Deputy Meerveld:** I thank Deputy Roffey for giving way.

Yes, I have seen him quote this statement about ATRs taking off short runways elsewhere in the world and 4,000 rotations a year. If C+ is approved, Alderney will increase that number by 50%. So there are not many places in the world and not many flights flown with ATRs into the short runways. Thank you.

2985 **Deputy Roffey:** Deputy Meerveld has changed his tune – they were hardly ever going to get in and out according to him a few minutes ago, now they are going to do their regular amounts.

Lastly, some people have accused the STSB of going against the findings of York Aviation and other consultants when they considered the business case for extending the Alderney runway some

2990 years ago. That exercise was done at the request of the late Alderney Representative Paul Arditti, but that was a completely different business case for a completely different scheme.

2995 Firstly, it was for a longer extension and one at the eastern end of the runway where the topography makes any extension far more expensive. Secondly, and more importantly, York was asked whether the cost could be justified on the basis of stimulating extra demand, because that was Mr Arditti's claim. In other words, the consultants were asked if we build it will they come. And York Aviation quite rightly said, 'Well, they may do. At our higher calculations, it will justify it' but it was too big a gamble to take to justify the extra costs. And they were absolutely right, but this is in a different situation, because not only is the extension shorter and going west on more favourable terrain, but no attempt has been made to justify it on the basis of increased traffic.

3000 Why was this possibility then not recognised last time round; why the last time the runway was looked at, when we decided on A several years ago before the pandemic? Well, frankly, I think it took a change of guard at Aurigny to identify the saving possibilities that are there. I am quite open about that. And it is not just cash that we save by swapping from Dorniers to ATRs, because absolutely the opposite of what Deputy Trott has said is true environmentally, the carbon discharges per passenger will be *lower* under this new business model than under using the 19-seater aircraft. So what is not to like?

3005 As I said earlier, the STSB will operate whatever sort of airport Members want, but money is tight. So why would we not go with the option with the lowest lifetime cost? Why squander money on a more expensive option? Guernsey is not in a position to waste money in that way, so we should go with patently the cheapest option and that is Option C.

3010 I am going to go through one or two of the remarks that have been made. Deputy de Lisle was worried about the delay, we should have pressed on years ago. Well, yes, we probably should. We were absolutely unable to do that because of the travel restrictions by the pandemic. But he is right that that has caused it to be in a difficult situation now. We will have to spend about £200,000 this spring, this coming spring, whether you go for A or C, just to keep the runway going with a major repair to make sure that it remains safe, because we are determined to do that.

3015 Why is it only preliminary costs? We cannot go out to tender unless this Assembly gives us permission to go out to tender. So it is a chicken and egg, really: if we had gone out to tender without permission, we would have been criticised as well.

3020 He said the costs are a lot more than the original £12 million. Yes, but that is not all about the extension. A lot of that, as I have said, is about the terminal and fire station, which will still have to be done even if we go for Option A.

3025 Alderney should fund the extension themselves – they are, 50% of it, so I think that is significant. Deputy Dyke was going on about the £900,000 line about security. It is only C or C+ that will require Alderney to move what is called a dirty airport to a clean airport, which will require the extra security being put in there. So those costs are built in to the cost part, but we are expecting to recover some of that through the levies that are there.

Oh yes, all right, I give way.

3030 **Deputy Dyke:** I thank Deputy Roffey for giving way.

My point was that the line item of income of £900,000 could be applied at any time under any of the scenarios as an additional tax, so it is not linked. [*Inaudible*] ... practical matter, I think that it is slightly dodgy having that in, although it has not changed my view of what we should do.

Thank you.

3035 **Deputy Roffey:** We could put it in under any of the options, but then we would be charging an enhanced security charge for non-enhanced security under Options A and B, so it would be a pure tax. So yes, you could have a landing levy, you could have anything you want.

3040 Deputy Le Tissier was worried about medevac. HSC will be looking, I imagine, at extending the existing Channel Island contract with the specialist provider, but that does not mean that all those medevacs that happen now ... There is Medevac and there is Medevac. There are people who need

basically a flying ambulance who are really critical, and those will require the specialist firm to come in, but Aurigny will continue as they do now with the Dornier to provide the walking wounded service and they will do that with their spare capacity ATR. So not all of those are going to require the specialist things concerned.

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Deputy Burford challenged what airlines would operate into the runway. Those that could be anybody with an ATR 72, an ATR 42, a Saab 2000 or some types of Dash aircraft. Whether they would bid for a future PSO, I do not know, but airlines as far afield as Scotland have indeed expressed interest in the PSO in the past and of course they are not going to fly down from Scotland to do it. They would be basing an aircraft locally to do it. However – (*Interjection*) Yes, that is the point: Aurigny has got the infrastructure here and the overheads here and therefore they are always likely to be the people that actually win the PSO and therefore I do not apologise for being a bit Aurigny-centric when looking at the best solution going forward.

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She also said this runway only facilitates ATRs with 25% loading, but I think that she knows that is not correct. It will facilitate ...

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This is the last time, because I will never get to the end.

**Deputy Burford:** I said with a load factor of 25% average taking the 54,000 flights and the number of seats that are being provided it averages out at a load factor of 25%. I understand that the capacity is that it can be loaded to, on average, 60%.

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**Deputy Roffey:** Yes, that was said earlier on in her speech, but towards the end she said this does not facilitate the landing of ATRs, it only facilitates the landing of ATRs with 25% loading. It actually facilitates landing with a significantly higher loading than that.

3065

Deputy Meerveld, no, the Airport and the runway, neither of them are 56 years old, or 54 years old. The Airport is actually 86 years old. It was built in the 1930s. The runway was really, the current one, only constructed in 1999, I think was the year. But of course if it does go on much longer than the 15 years – we have been quite prudent in allowing for 15 years – if the cost is spread over a longer period, the business case just gets stronger. And actually the running costs are fully built in to the business case, but they are not as high as you might think, the difference for the different category.

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Deputy Trott, I do not know if I can be ... I was going to say 'be bothered', but that is rude. (*Interjection*) I have dealt with the allegation that AECOM have quickened the figures to lead us down a particular path. I am just going to remind him – his memory is failing him, poor old chap – (*Laughter*) it was not Alderney that were demanding £25 million spent on their breakwater. It was the Board of Administration that wanted to do that! They were the ones that did the presentation saying the mound was degrading and that it was going to collapse unless something major was done. It was the community in Alderney that was saying, 'Actually, just maintain what we have got, that's what we prefer.' So he has rewritten history in that, although it is not central to this.

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Sir, I said at the beginning that we will happily run whatever type of airstrip that this States decide today and we will not lose any sleep over it. However, if we keep the current length of runway and the requirement to use basically a minimum of two 19-seater aircraft to get in there, with one being spare capacity, then there is a binary choice that is going to be faced. Either carrying on coughing up £2 million a year at today's value in PSO to make that stack up, or doing an awful lot less in terms of the PSO and having a degraded and very poor air service into Alderney, and that will lead to economic damage, and that will bounce back on Guernsey just as much as it does on Alderney.

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That is the stark choice. Go for A, by all means, save a few million off at this point and that will be what is facing you: £2 million a year forever or a really poor air service into Alderney. It is lucky that we have found a way that can actually reduce that by 50% to £1 million. It will require a few more quid on the tickets, (**A Member:** Hear, hear.) which pleases Deputy ... I probably ought not ought go much further than that, but save £1 million *without* degrading the air service into Alderney. It really is an obvious choice. Please go for C+.

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**The Bailiff:** Alderney Representative Roberts.

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**Alderney Representative Roberts:** Thank you, sir.

Alderney has always been a very difficult place to reach. Victorian travellers complained that the journey by sea was a veritable witch's cauldron, to a backward island where people dried cow dung on the front of their houses, an uninteresting place.

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When aviation came to the Island, Alderney's perilous seas made it a primary candidate for the first licensed aerodrome and Judge Robert Mellish dug the first sod of earth at 11.15 on Monday, 1st April in 1935 and works were undertaken by two tractors and a team of labourers funded by Jersey Airways United. The official aerodrome licence was awarded on 11th October and flights started in earnest in 1936, the year my father came to the Island. Thus the Island was finally connected, vaguely reliably, to the world. Just a bit of history before I start this, sir ... *[Inaudible]*

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Ladies and gentlemen, all of you here today will know it is a monumental moment for me and for Alderney. In my nine years in politics I have fought tooth and nail for our air links which I wholly believe are critical to the success of Alderney. Their demise over the past 10 to 15 years laid the foundations of our economic struggle. You all may also know that before this, for 22 years of my life, I worked in aviation in Alderney, both with Air Sarnia in the 1980s and our very own Aurigny. So I believe that I know a bit more about the challenges an airport faces than many in this room today.

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I do not claim to be an expert and I never will. I will always rely on the professional experience and knowledge of my peers. Having spoken to many people this past decade, covering all possible options, there is no doubt in my mind that the current debate on Alderney's airport long-awaited rehabilitation is the most important of my political career.

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The outcome will not only affect Alderney's social and economic well-being for the next few years but for decades to come. It will not only set the path only for Alderney's future, but also for our relationship with Guernsey as we move forward together to tackle some of the ever-increasing challenges that our Government and our communities face alike.

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But before I go into more detail, I just want to remind you of the real ask today. Headlines would have you thinking that we are asking to approve the full £24 million. That is not true, because in 2019 this States of Deliberation, where I was here, committed £12 million to repair our runway. That money is allocated and not up for debate and it should not be there today. It should not be talked about today as a sum. A further £4 million is essential for our terminal and fire station rehabilitation as both of these are falling far short of the regulatory requirements.

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Further to this, the States of Alderney are willing to stretch themselves and take a loan of £3.5 million to make this revitalisation a necessity. So mathematically, what we are asking you for today is an additional £4 million to secure Option C, which will include a lengthening and repair of a dilapidated runway and a new terminal which will finally meet CAA minimum requirements. Four million pounds, a drop in the ocean compared to some of the investments we have approved in this Chamber and please bear in mind that fact as I speak to you today.

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I know this debate may be difficult but what I have found over the past months of speaking with Deputies in this room is that we are a bit of a split Assembly, unfortunately. But over in Alderney things are very much a different story. Our recent drop-in session was overwhelmingly positive. Our Chamber of Commerce had fantastic conversations with local businesses that are for the proposed changes and you may have seen a few negative articles. However, please remember that these are very few and far between and, usually, they always shout the loudest, those that are against. You have seen it in Guernsey and you see it in Alderney.

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Unfortunately, these voices come from an older demographic. Our younger and middle-age generations are all for it. This represents a one-off opportunity to facilitate and enable Alderney to significantly strengthen our economy, to create jobs and attract younger people and families to settle on the Island, thus enhancing the tax revenues for the joint Guernsey/Alderney pot. Overwhelmingly positive, wouldn't say?

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3145 If any of you doubt this you only have to look at the evidence from the last seven or eight years. While there have been many changes in this Assembly over that time there have been some Deputies here who will remember the prophetic campaign by the former late Alderney Representative Paul Arditti, who was acutely aware of the declining economy in Alderney and the resultant depopulation that was occurring, particularly of young families.

3150 He pleaded to adapt Alderney Airport back then to introduce larger aircraft like the ATR and saw this vital improvement in connectivity as a necessary catalyst to reverse Alderney's decline. Tragically, Paul died before being able to see this campaign through. The longer runway option was then dropped and the States of Deliberation authorised Aurigny to replace its aged fleet with Dornier aircraft.

3155 The benefit of hindsight is a wonderful thing, but regrettably we cannot change history. What is in our power is to learn from the mistakes, to take control of our future in the right way or risk standing here, yes, in years to come, arguing the same old points over and over and over and over again. If the States had not invested £12 million then in the four Dornier aircraft, the two classics and the two NGs, but had spent this money on extending Alderney's Airport, the ATR fleet would have operated to Alderney, as the current Aurigny management advise us, in the most cost-effective way.

3160 Sometimes I do wonder why the state employs experts with proven track records in specialist areas like aviation, which is generally regarded as a very challenging industry, both operationally and commercially, when we so often ignore their advice on the best ways forward. We seem to know better than the experts. Then why do we employ them? The same can be said of the Guernsey Ports team. They did not engage in the wild speculation of the scaremongers that were out banding out wild figures for most of the extended runway and making unfounded claims about specialist complex regulations for other developments.

3165 We now see the actual estimates, as worked out by specialist consultants, with extensive expertise in aviation. They now are familiar with the Island's circumstances. The fact that estimates are less than half the smallest figures given to the media by the local experts speaks volumes. The same is true of some of the regulatory claims. The Guernsey Ports team are in regular dialogue with the UK regulators and know that that scheme before us today is compliant and value for money.

3170 Those of us who did turn up at the presentations to Deputies on the benefits of Option C received clear advice on the best value for money over the lifetime of the project, but it dismays me that so many seem to ignore the fact. Both STSB and P&R made it clear to the Alderney Policy and Finance Committee that their support for Option C is based around the financial case, which establishes Option C as the best value for money over the lifetime of the project. This support will not remain if the project, when tendered, returned costs significantly above that £24 million estimate. We understand and we support that.

3175 However, the States of Alderney sees many benefits for the Island and its future relationship with Guernsey that go well beyond the principal reason to support Option C. These relate to wonderful opportunities to strengthen Alderney's fragile connectivity, as a result to develop the economy and create jobs, and thus attracting young people to settle on Island and to contribute to the Island's tax base, financial benefits that we both stand to gain from this. Unquantifiable at this point and not included in the benefits gained from Option C.

3180 Sir, what have we presented to the minimum? I would say it is a no-brainer. Not a lot of people like that word, but there is no other way to get such a major boost of connectivity than having 20,000 extra seats at marginal cost and none of them, not one of them, included in the profit margins.

3185 It also is a one-off economic opportunity, as Deputies in Guernsey know. If you do not do a runway extension at the same time as a major rehabilitation work, the costs of work would be a separate contract with remobilisation costs and the costs would then be prohibitive. This really is a last chance to Alderney's runway, because it will not get done again. We have a last chance today, for Alderney and its future.

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3200 The political and social relationships between Guernsey and Alderney have been the best, in my experience, in recent years. Perversely, this is a result of the COVID years, when many Guernsey residents suddenly discovered Alderney for the first time and liked what they found. In many ways Alderney has become to Guernsey what Padstow in Cornwall to southern England: a great, close and familiar place to have a holiday.

3205 However, it has gone much further than that. A surprising number of people have subsequently bought houses in Alderney and now will be regular visitors. Others have developed or established businesses here and unlike the situation only eight years ago, Alderney is becoming more vibrant and growing again. We are attracting new firms and others have presence here are expanding. We have also begun to attract a few high-net-worth individuals in the same way that Guernsey has quietly been doing for several years, and the difference they can make to a small community can be highly significant and valuable.

3210 With a longer runway, Option C+, there is even more opportunity to attract those with their own business aircraft and we would fully expect to see new individuals moving both themselves and some of their businesses to Alderney if it can become their base. I have spoken to them, you have received emails and letters from them, and they have said that this is absolutely for their continued investment and the success of their businesses. While you might consider this a small advantage to you and your parishes, I believe those who work in tax Guernsey would take a different view. At our sort of Island scale, a small number of people can make a big difference, both directly in taxes and indirectly in terms of goods and services consumed and used on Island.

3215 There has been much coverage in both the traditional and social media on the views of a longer runway in Alderney. The States of Alderney has also hosted two public drop-ins where the Guernsey team were present to explain the various options and answer questions, and the vast majority of people in Alderney, particularly the business community and younger people, were strongly in favour of Option C.

3220 I know a lot of you will be quick to point out there are a few exceptions, some, by no means all, elderly residents who remember former times – mostly former pilots have that view – when aviation was somewhat less regulated and restricted than it is today. And some, but not all, of private aviators have had public access to their own aircraft but are not reliant on public air services, so it does not really matter to them. They like landing on the grass. But overwhelmingly, our Island desperately wants this to happen – *desperately*. They need this to happen. We have been too long living in the shadow of economic struggles, both families and new members of the community. They all see the benefits that can be gained here.

3230 There has been much talk of the current level of PSO, which has a maximum ceiling of £2 million per annum. However, what is not generally understood, the PSO contract is essentially two contracts rolled into one. It covers both the scheduled passenger service and a retainer element for the patient transfer service, which I assume is a Health and Social Care responsibility under the 1948 Agreement. There was one air medical not so long ago and using two Dorniers is very difficult sometimes. They are in the wrong place at the wrong time, for whatever reason. It took *five hours*, and it did not have a happy conclusion and that is all I am going to say.

3235 While the split in the value of the contract between the two elements is strictly commercially confidential, there will be Deputies here who know what it is to realise that it may be necessary to do different contract costs differently in any measures to achieve reductions in annual subsidy costs. Simply loading increased fares would be passing on healthcare costs to the general travelling public. But it may have to be.

3240 In this regard, it may also be worth remembering that 70% of tickets sold in Alderney originate in Guernsey and not Alderney, so any increased ticket cost will be absorbed also by Guernsey residents and perhaps the taxpayer. An extended runway, better facilities, provides the opportunity to relook at this and serve Bailiwick residents. In this case, it is not just economics, it is lives. And Alderney lives matter too.

3245 If working between both Island Governments has taught me anything over the years, it is all too often it is easier to make short-term decisions that cost less, but are not in any way futureproof. The

3250 result often is that these solutions last only for short periods before having to be revisited. By then the costs of more long-term schemes have risen, where opportunities for economies of scale have been lost, making the right decisions for the long-term more difficult to reach.

Statesmen and politicians have enough vision to make decisions to look to the future, not just a fix in the immediate problem with an apparent cheap fix. We are worried in Alderney that the variations and derogations that we currently enjoy with our small airfield operation may not last much longer given the current state of international politics and advances in safety and security measures. In other words, legislation is creeping up at us like a tidal wave and is going to come at any time and demands might be greater.

3255 What is the point in simply doing the minimum fix for Alderney now, only to have to sort out the 50-plus-year-old prefabricated terminal building and the old fire station, and then have to re-modernise them to 21st century security when these things come upon us? We have an opportunity with this project to sort out these problems for the future at a very reasonable cost, given the other elements of the rehabilitation project.

3260 If we take the easy short term at the time, I do not think that successive parliaments in this building or in Alderney will thank us. On the contrary, they will be critical of the short-term thinking and the absolute failure of the Assembly to take this *one-off* opportunity to future-proof Alderney's critically important air services, which will impact on our economy.

3265 Finally, I can only repeat that we understand the STSB and P&R support Option C because it offers the most cost-effective solution for Alderney's vital air services for decades to come. If the tendered project figure is significantly more than £24 million, we understand this support will evaporate and an alternative solution will have to be implemented. However, the States have already approved £12 million.

3270 Exceptionally, but not only could the one-off nature of the opportunity to future-proof not only the Airport but also the Island, in terms of economic and fiscal growth the States of Alderney agreed to contribute up to £3.5 million towards the cost of Option C and to work with your authorities in Guernsey to reduce the overall cost of the project. By example, some Airport closures etc., when it is actually being undertaken, and money can be saved from the project there. That leaves a gap of only £4 million to the States of Guernsey Budget and this expenditure would generate up to £800,000 a year on the PSO, which we have spoken on and it has been jiggled. That is a very fast payback period for the additional money.

3275 My apologies, I have spoken at some length. I have tried to keep my points brief, and I have got some more to follow for another Deputy, but as I said at the start, this is the most important debate of my political career for Alderney's future, without a doubt. Today we will either enable Alderney for the future, by future-proofing our Island's critically important airport, and providing for the first time in many years a very real opportunity to work in Guernsey in generating a stronger, more sustainable economy, attracting more younger people of working age to help reduce the ageing demographics that both Islands are facing for the next 20 years.

3285 So please think ahead, 10, 15, 20 years' time. When your children and grandchildren have grown up, they may have young families of their own. Many may have been to Alderney before. Some of you may have bought homes. Our Island has an undeniable beauty and natural charm. What would your children say? Because the way I see it, this decision will shape everything our future holds.

3290 If you vote no, in the same way we have commented at some stage in our life, looking at a derelict castle, an abandoned harbour, your children say, 'What a shame. Why did they let that fall apart? It could've been so wonderful here; so much potential.' Or, if you vote C, they may choose to spend a lifetime creating memories through summer visits with their sister Island, our Bailiwick bond closer than ever.

3295 Hindsight is a wonderful thing, but let's not get caught in the trap of time. Do not put us out to pasture. Do not let Alderney go to waste. Please, do not let Alderney go to waste. Please think of the future and vote for Option C and give Alderney a real chance to develop alongside Guernsey, as both Islands tackle the significant changes and opportunities that lie ahead. The gambling

3300 industry has proved but one thing and that profits can be doubled by indirect taxation, as well as direct taxation. They can actually double what your earnings are.

3305 Deputy Brouard spoke to me on a few matters earlier, or he spoke to us on a few matters, on Alderney being a bit behind with seatbelts and helmets and things, and one or two other things I am sure. I can unreservedly assure Deputy Brouard on the issues raised by him this morning, on his concerns relating to Alderney law. We have always been a bit of a backwater but by the time has come, if requested by a fiscal partner, namely Guernsey, to change, we will. We have our Chief Minister sitting in the gallery. He has already agreed for that work to go ahead and I have a solemn assurance that all the common problems will be addressed at the earliest opportunity, sir. Holiday homes and empty properties have already started now.

3310 I was actually quite amused by Deputy Brouard's speech. My good friend, Deputy Brouard, mentioned pirates and Alderney in the same breath. Deputy Inder's great-great-grandfather is buried on Alderney and he is buried *yards* away from my own great-great-grandfather. (*Interjection by Deputy Inder and laughter*) I wonder if either of our grandfathers were a pirate, and I wonder which one it would be. Would it be me or would it be you? (*Laughter*)

3315 **Deputy Trott:** I suspect both! (*Laughter*)

**Alderney Representative Roberts:** People can change.

3320 Over the last four years, I have gained many friends over the Assembly, and the previous Assembly. I hold some different political views on Alderney, and so do they, but I am sure it is only the envy of our good looks. They, to me, yes, remain good friends and I value that friendship greatly.

3325 We used to have a robust air service. All our mail, our produce, our freight came to Alderney by air. An ATR configured to the right could find extra revenue to replace this service also, sir, filling some seats and earning revenue. Much of our shops sometimes have no produce on the shelves and our mail is constantly late. It takes a week sometimes to get a letter from the mainland. I do not know what it is like in Guernsey.

3330 Ten years of my life have been dedicated to this one Meeting, the most important of my political career. If we vote against for our extension it will never *ever* happen. This is your last chance for us to repay you through this avenue. This Meeting feels a bit like *A Christmas Carol* to me, a little bit. The Ghost of Christmas Past, the Ghost of Christmas Present and the Ghost of Christmas Future. I feel a bit like Bob Cratchit. I cannot work out who Tiny Tim is or, indeed, Scrooge. But in the story, Christmas Future prevailed. I hope it does today.

Happy Christmas. Thank you.

3335 **The Bailiff:** Deputy Matthews.

**Deputy Matthews:** Thank you, sir.

3340 Yesterday in the debate on an amendment, I spoke of how we are effectively selecting the shape and composition of the Aurigny fleet indirectly by our choice of Airport and runway in Alderney, and selecting aircraft is something that I am not sure I am entirely comfortable with. It is not really my area of expertise.

3345 As many have said, I am sad at the loss of our Trislander aircraft, which in some ways has a parallel with the changes in regulations and shift in economics and market conditions that have also led to the passing out of service of aircraft like Concorde at the other end of the scale. It is often the case that the most innovative and brilliantly engineered aircraft fill a certain narrow niche and are not commercially successful or sell in volume.

3350 I think I would probably notice the difference between a Trislander and a Concorde, but I am often someone who does not even notice the type of aircraft that I am travelling on. It is simply a vehicle to get me from A to B, just a generic vehicle that does that. But I have noticed that it does sometimes seem as if we are going backwards technologically in aviation. And looking at a piece of technology at the moment, I can see, looking at my laptop down here, there is a picture or an icon

of an aircraft on the F11 key, which activates something called airplane mode, which I do not recommend anybody pressing at the moment because it deactivates your Wi-Fi and would deprive you of the ability to vote through the simultaneous electronic voting.

3355 But airplane mode is something that is done because it is said to interfere with aircrafts' systems, so it enables you to switch it off so we cannot do things like connect to Teams meetings or anything like that. I am not sure if anybody would really attempt to run a Teams meetings on an aeroplane, although perhaps Deputy Dyke might have considered doing it on his next trip to Cayman to join a States' Meeting. (*Interjection*)

3360 But looking at the picture, I am not sure what type of aircraft it is. It looks like a generic jetliner that could easily be a Boeing 747, which has been a commercially successful aircraft. There is about 1,500 of them produced. They are iconic – literally, there is an icon there. We are very unlikely to ever get 747s to fly into either Guernsey or Alderney, although I am sure if Deputy Vermeulen was here he would probably be leaping to his feet to explain the economic benefits of them being able to do so.

3365 But, sir, in this debate, we have heard from many people with much more expertise than I have. Many of them pilots or aviation enthusiasts and Guernsey, actually, and Alderney are blessed with a very high number of people with an awful lot of experience in this area, some with very illustrious careers in civil aviation and sometimes military careers, and some have expressed views often a little negative towards the Alderney proposals which is, as I said, really the aircraft selection.

3370 But are aviation enthusiasts or pilots really the best people to ask about the aircraft selection choice? They have greater expertise, but people with a greater expertise like that may often find their views coloured by the passion for their field. For example, if you are a car enthusiast, as Deputy Trott, who is unfortunately not there, and you had the resources, you might well, for example, get yourself an Aston Martin. But if you were building a fleet of cars, you might go for something more mainstream like a Ford Fiesta or a Vauxhall Astra where you would find the maintenance easier and spares are much more available.

3375 Those are the sorts of business considerations that, if you were to lead an airline and select an aircraft for a fleet, you might well be led to choose something like the ATR 72 from Airbus. With over a thousand of them having been built, they are a well-supported mainstream small plane. It is also why the sensible and level-headed people of Alderney might choose reliability and consistency over other features, such as the frequency of flights or the romance of other aircraft that recall the golden age of aviation.

3380 Sir, I mentioned before airplane mode, which switches off network connections on laptops. Well, the people of Alderney do not want to put themselves into airplane mode and cut themselves off from the rest of the world. Alderney want to be connected and to have the connectivity and to enjoy a connectivity to the rest of the world.

3385 It is true, as Deputy Brouard said, Alderney is not a parish of Guernsey, but in some respects they do enjoy some benefit of union with Guernsey in our Bailiwick. And, in many cases, we see that towns effectively subsidise the country, or cities end up subsidising rural areas and so for those reasons, I am minded to lean towards the option of C+.

3390 Thank you, sir.

**The Bailiff:** Deputy Moakes.

3395 **Deputy Moakes:** Thank you, sir.

This speech is actually much shorter than it was about an hour ago, maybe shorter still than it was yesterday, because so much has been said and I do not want to just repeat things that people have already said. But what I would like to do is to refute a few things that have been said, particularly today.

3400 The cost of capital has come up time and time and time again. And yes, it does have to be included, but as we have heard today, and has been repeated by a number of people, even when

you add in the cost of capital, C+ is *still* cheaper than other option. So let's get that clear, first and foremost.

3405 We have also heard about increasing costs, 'The costs in this are ridiculous, it's going to be much more expensive than that.' I cannot comment, I can only use the figures in here, but all I would say is if the cost of one is more expensive, then the cost of all the others will also be more expensive. Whether they will go up like that, or slightly differently, who knows, but I can only go by the numbers that are in here. I think the point about, 'Were the costs more, what will happen?' that has been addressed by a couple of people already. So let's not focus on that too much.

3410 We have also had some brilliant insight into the future of aviation. We are going to have electric planes, possibly have hydrogen planes. We are talking about the next 15, maybe the next 20 years, not decades and decades and decades in advance. Who knows? We might have vertical take-off passenger jets at one stage, in which case a long runway will be irrelevant. But for now, for the today, for the tomorrow, for the 15 years, possibly 20 years that this runway will be *in situ*, what we  
3415 are talking about fits the bill. So let's get that out of the way as well.

Just on to what I wanted to talk about, there has been a huge amount of debate – good debate, I think – over the last day or so and what are we actually trying to do? Are we trying to find the best solution for Aurigny? No. Are we trying to find the best solution simply for Alderney? No. What we are actually trying to do is find the best solution for the Bailiwick of Guernsey and this is the  
3420 important point: what we want is the best solution for the Bailiwick of Guernsey and its taxpayers.

And you cannot do that by looking at this issue solely through a 'what is best for Alderney' lens, or 'what is best for Aurigny' lens. It is not that simplistic. It is a complex issue that needs to be looked at carefully and think of it like a jigsaw puzzle: you need to look at all the individual pieces and understand how they fit together. Unless you can do that, you will never come to the right solution –  
3425 and even then it is quite difficult.

So Alderney's runway is in a dreadful state. We have heard lots about that. I hope that we can all believe that something urgently has to happen. Doing nothing is not an option. At a bare minimum, we need to repair the runway in Alderney. To not do so would lead to Alderney losing its air links to the outside world. This would be a catastrophe for the Island, its people and its economy.  
3430 Not only that, what message would it send out to the rest of the world?

So we need to consider four options. Option A is the basic runway refurbishment and widening and this will still limit the runway to smaller aircraft. This is effectively Option 3, which was approved in 2019. It is the absolute minimum requirement. Option B, basic runway refurbishment, widening, thicker pavements, still limiting runway to smaller aircraft, but would allow larger aircraft to land if  
3435 the runway was extended at a later date, *but* at an additional cost.

Option C, refurb runway, extend with a thicker pavement to enable large planes to land and a temporary building for enhanced aviation security. And then, of course, the much-talked-about Option, C+, same as Option 3, but also includes a new terminal and fire station. What are the total costs of all these options over 15 years? Because that is the time period we are talking about. I am  
3440 not going to talk through those costs at this point, because it is on table 6 on page 19, which you have all got. But the important thing to remember is Options A, B and C do not include the cost of building or refurbishing the terminal and fire station, whereas the cost has already been baked into Option C+.

The policy letter makes it clear that there will be a requirement to replace the terminal and the  
3445 fire station, or refurbishment, within a five-year timeframe. And if you do not believe me, look at 3.6 on page 19. The cost of this is provisionally put at £4.5 million, again, if you look at 5.14 on page 19. So I would argue that this cost should be added to Options A, B and C because it is happening in the immediate future.

This would make a material difference to the costs of each of the options. Option A costs would increase to circa £19 million over 15 years. Option B would increase to circa £20.3 million over 15 years. Option C would increase to circa £15.7 million over 15 years. Option C remains the same, because the cost is already factored into it, and that is £15.1 million. Have you spotted that is the  
3450 cheapest?

3455 As I said at the beginning, this really is like a jigsaw puzzle: you need to look at all of the component parts, or jigsaw pieces, and with all the assumptions pulled together, Option C+ is not only the preferred solution, as you have heard, it is also the most cost-effective and flexible solution over the 15-year period, and probably beyond. Because if you look how long the current runway has been there, to suggest that this runway is suddenly going to finish in 15 years, it could be there for 20 years. Who knows? But we are being conservative. Let's not forget those numbers do not include the money that Alderney has agreed to contribute, which is £3.5 million, but that is only towards Option C+, remember.

3460 So as I said earlier, I genuinely think that C+ has got to be the best way forward. It is not only the cheapest of the options, it actually makes perfect sense. Because you get everything that you get with A, plus, for a cheaper amount, you have also got the extended runway, you get all the buildings and everything else. It really is the way to go. So I support the policy letter and I strongly recommend that Members vote in favour of Option C+ because it is not only the best solution for Alderney, it is actually also the best solution for the Bailiwick of Guernsey moving forwards.

Thank you.

3470 **Deputy Mahoney:** Can I try Rule 26(1), please, sir?

**The Bailiff:** Will those Members who wish to speak in general debate who have not yet spoken please stand in their places.

Deputy Mahoney, is it your wish still to move a motion pursuant to Rule 26(1)?

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**Deputy Mahoney:** Yes it is, sir, just given the hour of the day.

3480 **The Bailiff:** Well, Members of the States, the motion is that subject to hearing from Deputy Ferbrache in replying to the debate, that further debate on these Propositions be curtailed at this point. Those in favour; those against? I will declare that carried. (*Interjection by Deputy St Pier*) Yes.

*There was a recorded vote.*

*Carried – Pour 18, Contre 16, Ne vote pas 2, Did not vote 3, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Aldwell	Deputy Blin	Deputy Oliver	Deputy Gabriel	Deputy Bury
Deputy de Lisle	Deputy Brouard	Deputy Queripel	Deputy Trott	
Deputy Dudley-Owen	Deputy Burford		Deputy Vermeulen	
Deputy Dyke	Deputy Cameron			
Deputy Ferbrache	Deputy de Sausmarez			
Deputy Haskins	Deputy Fairclough			
Deputy Helyar	Deputy Falla			
Deputy Inder	Deputy Gollop			
Deputy Le Tissier	Deputy Kazantseva-Miller			
Deputy Le Tocq	Deputy Matthews			
Deputy Leadbeater	Deputy McKenna			
Deputy Mahoney	Deputy Moakes			
Deputy Meerveld	Deputy Roffey			
Deputy Murray	Deputy Soulsby			
Deputy Parkinson	Deputy St Pier			
Deputy Prow	Deputy Taylor			
Alderney Rep. Roberts				
Alderney Rep. Snowdon				

**The Bailiff:** The voting on the motion pursuant to Rule 26(1) was originally proposed by Deputy Mahoney, where Deputy St Pier has exercised the right to call for a vote, is that there voted in favour 18 Members; against, 16 Members; 2 Members abstained; 3 Members who could have

3485 voted did not vote. And for that reason, the motion is carried and I will turn to Deputy Ferbrache to reply to the debate on these Propositions, please.

**Deputy Ferbrache:** Let me say here, after all these days of debate, I am not going to respond to every particular point. If anybody wants to stand up and interject, I am *not* going to accept that interjection. We have got to get on, we have got to get a vote.

3490 Let me just say in relation to one thing: the two most disconcerting speeches I heard were said in rapid succession by Deputy Meerveld and Deputy Trott, who is not here at the moment. Deputy Meerveld seemed to indicate, in my opinion, that the pilots were saying it might not be safe to fly into Alderney on an ATR in certain circumstances. Let me say this: that any executive, in any  
3495 airline, their *paramount* concern is safety. To in anyway allude to the fact that they do not have regard to safety is *irresponsible*. The –  
I am not giving way.

**Deputy Meerveld:** Point of correction.

3500 **The Bailiff:** Point of correction, Deputy Meerveld.

**Deputy Meerveld:** In no way did I imply that anybody was risking anybody's lives. I was simply saying that some pilots would find it challenging and would choose, for safety reasons, potentially  
3505 to return to Guernsey.

**The Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** I believe what I said was accurate.  
3510 In relation to that, Deputy Meerveld, when he quite properly exercised his right not to allow me to interject, when he was talking about Gatwick has expressed the view that on occasions turboprops might not be allowed in the future, we had a response yesterday from somebody who checked with the authorities *yesterday* what the position is and in fact they are more environmentally friendly and they are more welcome. So I would have asked Deputy Meerveld, if  
3515 I had been given the opportunity, for him to tell us when he last spoke to anybody at Gatwick, who he spoke to, what they said, did he get it confirmed in writing.

I am not going to give way. I have *said* I am not going to give way, Deputy Meerveld would not give way to me. He exercised his right accordingly, I have exercised my right accordingly.

3520 The Isles of Scilly air service was referred to by Deputy Meerveld and the Isles of Scilly Skybus runs three routes to and from St Mary's Airport to Land's End, 20 minutes' flight, year round; Newquay 30 minutes' flight, March to November; Exeter Airport, 60 minutes, March to November. In 2021, the group sold one of its Islander aircraft to Cranfield Aerospace. It also gave up other Islanders because it did not believe that they were economic.

3525 What it does ... the marine business is the group's profit generator, because it has an air service and it has a fleet service. The marine business is the group's profit generator, achieving a pre-tax profit, excluding grants, of £1.48 million for the year ending March 2022. That is because it is largely tourism basis which gives that profit, giving the relevant proportion of ticket purchases.

3530 It received Department of Transport grants in the relevant year of £905,000; ERDF grants – I do not know what that is, but it was a grant – it got £67,000; and CGRS grants of £33,000. So if you total that, that is over £1 million in grants that it received, and its prime business is that of sea passengers, but of course it also has the air business. Isn't it interesting that one of its directors is Kevin George, who happens to be the current Chair of Aurigny and is one of the impressive management team that we have all referred to? Isn't that interesting?

3535 Also, in relation to environmental matters, Deputy Trott talked about tendering. We have had a very interesting discourse between Deputy Trott, his experience in 2004, and Deputy Roffey in relation to other experience. What I have been told is that in tendering, any scheme we, that is the

States of Guernsey, will be taking up value, energy and opportunities with the preferred contractors. This will look at options to change the phasing of the works, options for short closures and alternative materials for construction. I am told by the professionals, by the experts who are used to dealing with these matters, these can, and almost certainly, will reduce capital costs.

3540

I deal with the point that Deputy Burford, in her usual polite way asked me yesterday about undertakings, giving assurance about costs, etc. She has dealt with that, but let me put it on record: if the States approve C+, which it overwhelmingly should, and if the costs come out at above £26½ million – 10% tolerance, therefore – I undertake that we will bring the matter back to the States for its consideration. I cannot do better than that in relation to that and I have to accept the advice of experts about what the likely cost will be.

3545

In relation to environment, Deputy Trott waxed lyrical, 'Guernsey's always environment.' It is always best to check the facts. I have been told in the last hour these facts in relation to the environment. Comparing the Dornier with 14 passengers and the ATR with 29 passengers, which would be the average to get the current same usage of 54,000 passengers on the various routes, fuel burn per passenger: the Dornier, 18.3 pounds; the ATR, 17.9 pounds, which means the ATR is more efficient. CO<sub>2</sub>: 57.9 pounds for the Dornier; 56.6 pounds for the ATR. The ATR is more efficient. COC which is – I did not know what that meant, so I had to ask somebody – aircraft-related cash operating cost for direct operations, for the Dornier, £22.50; for the ATR, £21.10.

3550

3555

So on environment and cost the ATR is more ... It is always best to know the facts before you say something.

I am not going to give way, I –

**Deputy Trott:** I am not asking you to. Point of correction, sir.

3560

**The Bailiff:** Point of correction, Deputy Trott.

**Deputy Trott:** Once again in this fantasy world that sometimes we find ourselves in, the devil is in the detail. The Chief Minister said 14 on the Dornier. A Dornier can fly with 19 and usually does. The problem with the ATR is it is only 60% full at best. And when you extrapolate the numbers against the emissions on a per passenger basis, you get an entirely different outcome, sir.

3565

**The Bailiff:** Deputy Trott, the first thing is, what is the inaccurate or misleading statement because the figures –

3570

**Deputy Trott:** The inaccurate or misleading statement is Deputy –

**The Bailiff:** Deputy Trott, please.

3575

**Deputy Trott:** I was about to answer your question, sir.

**The Bailiff:** What Deputy Ferbrache gave was details relating to a particular number of people being carried on each aircraft. Are you saying that that is wrong?

3580

**Deputy Trott:** No, what I am saying is that it is deliberately misleading and I stand by that comment. So I am correcting a misleading statement, I believe that what he has said is incorrect and I stand by what I said, sir.

3585

**The Bailiff:** Well, you have had your ability to say it. I do not think that was misleading. It was put as a factual statement the way it was. It may well be that if the numbers had been different, then the outcome would be different, but that was the information that Deputy Ferbrache was relaying. Members can make of it what they wish in the light of that.

Deputy Ferbrache, please –

**Deputy Ferbrache:** To say it was misleading is insulting. It is insulting – (*Interjection by the Bailiff*)  
3590 I will move on, sir, but I cannot let a comment ... Anyway, we are moving on.

The figures were given because the Dornier's average is 16. To get the figures of 54,000, it is 16. That is what I have been told. That is what I have been told by the experts.

**Deputy Trott:** On a point of correction, sir.  
3595

**The Bailiff:** Point of correction.

**Deputy Trott:** Deputy Ferbrache said 14 –

**Deputy Ferbrache:** Sorry, I meant 14. I meant –  
3600

**Deputy Trott:** – when he spoke earlier. Now he is saying 16. Which one is it?

**Deputy Ferbrache:** No, slip of the tongue, quite right. Fourteen, that is quite correct. I have  
3605 written down 14, I have said 16. We all makes slips of the tongue, even me, makes slips of the tongue. So the figures I have given are those that I have given. Hopefully, Deputy Trott, it is always best to check your facts before you make a statement. Always best. I have given the facts on the environment Deputy Trott, has not. Let's move on.

In relation to finances, Deputy Burford proved the point really by her own calculations, because  
3610 what she said is there was a difference of £10 million between £14 million and £24 million. What she did not take into account I think was the £4½ million or thereabout for the terminal and the fire station.

Deputy Parkinson almost conceded that, and I mean that in a conciliatory way, when he said,  
3615 'Well, look, even on those calculations, you're getting, at least at no more expensive cost, a better deal because you are getting a longer runway.' What you are also getting is a new terminal building and a new fire station. (*Interjection*) That is pretty good value and that proves a point that Deputy Parkinson made in his initial analysis when he spoke a day or two ago on the point and he has emphasised it today.

And he also made the point that the runway, we are budgeting on a 15-year life cycle for this  
3620 runway. The likelihood is it will be more than 15 years, it will probably be 20 to 25 years, because that is the way that it works in relation to all these matters. So I do not actually pretend, I am not going to say anything more. If people have not made their mind up after this length of debate, they are never going to make their mind up.

I take the point of Deputy Brouard, Alderney has got to come to the party with wearing crash  
3625 helmets and charging people for care, all of that they have got to come into the real world and do. I fully accept that. They have got to stand up, this is not gift, this is being done by the people of Guernsey primarily because it is cost-effective. Alderney has got to grasp the opportunity and not come back in a year's time and say, 'Can we have something else, please?' To use Alderney Representative Roberts' Dickensian analysis, the begging bowl will not be full. This is the last chance.  
3630

**The Bailiff:** Well, Members of the States, there has to be a vote on obviously Proposition 1. Does  
any Member wish to vote differently on Proposition 2 to the way that they will vote on Proposition 1 or can I put Propositions 1 and 2 to you together? I do not see any request for a separate vote, so we will take one –

**Deputy Le Tissier:**  
3635

**Deputy Le Tissier:** I would like them taken separately.  
Thank you.

3640 **The Bailiff:** In that case, we will have a vote on just Proposition 1, which is the original Proposition 1, to agree Option C+, etc. So just Proposition 1. Will you open the voting, please, Greffier?

*There was a recorded vote.*

*Proposition 1:*

*Carried – Pour 22, Contre 14, Ne vote pas 1, Did not vote 2, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Aldwell	Deputy Blin	Deputy Inder	Deputy Gabriel	Deputy Bury
Deputy Brouard	Deputy Burford		Deputy Vermeulen	
Deputy Cameron	Deputy de Lisle			
Deputy Dudley-Owen	Deputy de Sausmarez			
Deputy Dyke	Deputy Falla			
Deputy Fairclough	Deputy Le Tissier			
Deputy Ferbrache	Deputy Le Tocq			
Deputy Gollop	Deputy McKenna			
Deputy Haskins	Deputy Meerveld			
Deputy Helyar	Deputy Queripel			
Deputy Kazantseva-Miller	Deputy Soulsby			
Deputy Leadbeater	Deputy St Pier			
Deputy Mahoney	Deputy Taylor			
Deputy Matthews	Deputy Trott			
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				

**The Bailiff:** Now, in respect of Proposition 1, there voted in favour 22 Members; against, 14 Members; 1 abstention; 2 Members did not vote who could otherwise have voted. So I will declare Proposition 1 duly carried.

3645 We now have Proposition 2 on its own, and will you please open the voting, Greffier?

*There was a recorded vote.*

*Proposition 2:*

*Carried – Pour 25, Contre 8, Ne vote pas 4, Did not vote 2, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Aldwell	Deputy Blin	Deputy Inder	Deputy Gabriel	Deputy Bury
Deputy Brouard	Deputy Burford	Deputy Le Tissier	Deputy Vermeulen	
Deputy Cameron	Deputy de Lisle	Deputy Le Tocq		
Deputy de Sausmarez	Deputy Falla	Deputy Taylor		
Deputy Dudley-Owen	Deputy McKenna			
Deputy Dyke	Deputy Meerveld			
Deputy Fairclough	Deputy Queripel			
Deputy Ferbrache	Deputy Trott			
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Kazantseva-Miller				
Deputy Leadbeater				
Deputy Mahoney				
Deputy Matthews				
Deputy Moakes				

Deputy Murray  
Deputy Oliver  
Deputy Parkinson  
Deputy Prow  
Alderney Rep. Roberts  
Deputy Roffey  
Alderney Rep. Snowdon  
Deputy Soulsby  
Deputy St Pier

**The Bailiff:** In respect of Proposition 2, there voted in favour 25 Members; against, 8 Members; there were 4 abstentions; 2 Members who could have voted did not vote. And therefore I declare Proposition 2 also duly carried.

3650 As a result of Propositions 1 and 2 being approved, neither Proposition 3 nor Proposition 4 needs to be voted on and you can turn over to Proposition 5, which comes from Amendment 3, as amended by Amendment 9, and I think we will take that one discreetly.

Will you please open the voting, Greffier?

*There was a recorded vote.*

*Proposition 5:*

*Carried – Pour 34, Contre 2, Ne vote pas 1, Did not vote 2, Absent 1*

**POUR**

Deputy Aldwell  
Deputy Blin  
Deputy Brouard  
Deputy Cameron  
Deputy de Lisle  
Deputy de Sausmarez  
Deputy Dudley-Owen  
Deputy Dyke  
Deputy Fairclough  
Deputy Falla  
Deputy Ferbrache  
Deputy Haskins  
Deputy Helyar  
Deputy Inder  
Deputy Kazantseva-Miller  
Deputy Le Tissier  
Deputy Le Tocq  
Deputy Mahoney  
Deputy Matthews  
Deputy McKenna  
Deputy Meerveld  
Deputy Moakes  
Deputy Murray  
Deputy Oliver  
Deputy Parkinson  
Deputy Prow  
Deputy Queripel  
Alderney Rep. Roberts  
Deputy Roffey  
Alderney Rep. Snowdon  
Deputy Soulsby  
Deputy St Pier  
Deputy Taylor  
Deputy Trott

**CONTRE**

Deputy Burford  
Deputy Gollop

**NE VOTE PAS**

Deputy Leadbeater

**DID NOT VOTE**

Deputy Gabriel  
Deputy Vermeulen

**ABSENT**

Deputy Bury

3655 **The Bailiff:** In respect of Proposition 5, there voted in favour 34 Members; against, 2 Members; there was 1 abstention; 2 Members who could vote but are not here did not vote. And therefore I declare Proposition 5 also carried.

**Deputy St Pier:** Sir, just to note that the online version had the wrong percentage in. The online version had 60% in, not 50%.

3660 **The Bailiff:** It will be tidied up in the Resolutions now, but thank you for highlighting that. This is why you have got a piece of paper. You can't beat a piece of paper, can you, Members? Let's face it! (*Laughter and interjections*)

**Several Members:** Hear, hear.

3665

**Two Members:** Pour!

**The Bailiff:** Proposition 6, which comes from Amendment 9. We will have a vote on that discretely as well, please. And will you open the voting, Greffier?

*There was a recorded vote.*

*Proposition 6:*

*Carried – Pour 35, Contre 2, Ne vote pas 0, Did not vote 2, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Aldwell	Deputy Gollop	None	Deputy Gabriel	Deputy Bury
Deputy Blin	Deputy Murray		Deputy Vermeulen	
Deputy Brouard				
Deputy Burford				
Deputy Cameron				
Deputy de Lisle				
Deputy de Sausmarez				
Deputy Dudley-Owen				
Deputy Dyke				
Deputy Fairclough				
Deputy Falla				
Deputy Ferbrache				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Le Tocq				
Deputy Leadbeater				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Meerveld				
Deputy Moakes				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Queripel				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Trott				

3670 **The Bailiff:** The voting on Proposition 6 was there voted in favour 35 Members; against, 2 Members; no abstentions; the same 2 Members who are not voting at the moment, principally because they are not here, I hasten to add; and therefore I declare Proposition 6 also carried.

Last, but not least, Proposition 7, which derives from the insertion through Amendment 4. We will have a vote on that please, Greffier. And will you please open the voting.

*There was a recorded vote.*

*Proposition 7:*

*Carried – Pour 31, Contre 5, Ne vote pas 1, Did not vote 2, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Blin	Deputy Aldwell	Deputy Prow	Deputy Gabriel	Deputy Bury
Deputy Brouard	Deputy Dyke		Deputy Vermeulen	
Deputy Burford	Deputy Haskins			
Deputy Cameron	Deputy Helyar			
Deputy de Lisle	Deputy Mahoney			
Deputy de Sausmarez				
Deputy Dudley-Owen				
Deputy Fairclough				
Deputy Falla				
Deputy Ferbrache				
Deputy Gollop				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Le Tocq				
Deputy Leadbeater				
Deputy Matthews				
Deputy McKenna				
Deputy Meerveld				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Queripel				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Trott				

3675 **The Bailiff:** In respect of Proposition 7, there voted in favour 31 Members; against, 5 Members; there was 1 Member abstaining; and the same 2 Members did not vote. And therefore I declare Proposition 7 also carried, which means Propositions 1, 2, 5, 6 and 7, which were the ones that needed to be voted, on because 3 and 4 fell away, have all been carried.

Deputy Meerveld, there is no need for you to stand up at the moment.

**Procedural –  
Statement of correction under Rule 10(1)**

3680 **The Bailiff:** What I am going to do next, Members, is I am going to give Deputy Dudley-Owen the opportunity to make a statement pursuant to Rule 10(1).

Deputy Dudley-Owen.

**Deputy Dudley-Owen:** Sir, thank you.

3685 I am grateful to you for allowing me to make a correction to a response I gave during Question Time the day before yesterday and I apologise that my response was misleading.

3690 Deputy St Pier asked for confirmation, and I am paraphrasing here, whether sixth form staff when temporarily located at La Mare de Carteret, would not also have to work on another site. In my haste to deal with the other part of his question, I gave confirmation that this would be the case when in fact it would not. I misunderstood his question. The question I *thought* Deputy St Pier was asking, when he referred to staff working in another location, was if the Sixth Form Centre would be moved in a phased approach, resulting in Sixth Form Centre teaching in two locations. I now realise this is not what he meant.

3695 Sir, please allow me to respond correctly to Deputy St Pier's question. During the transitional phase, when the new model is in its infancy, we will keep staff movements within each week of term time to a minimum, but a small number of staff who will work at the Sixth Form Centre, wherever it is, will also work in an 11-16 school. Precisely who those staff will be and what their timetable will look like are details that will be worked up over time and, of course, some of this will depend on student subject choices, so will have to be adjusted dynamically from one cohort to the next.

3700 In the fullness of time, there will be greater options for cross-phase working. We want the 11-18 partnership model to be more embedded before we move to this type of agile working, which provides staff who want it with the option of a broader teacher experience.

3705 To conclude, it is helpful to consider the complexity of these matters in terms of operational process. Officers tell me, for example, one of our secondary schools delivers approximately one thousand lessons a week. That means we are matching around 55 teachers having regard to their subjects specialisms to these lessons, and of course the demands in terms of GCSE option choices changes year on year. I know some politicians are interested in this level of detail, but this is a highly complex subject and our highly experienced officers and school leaders are those we should be trusting to manage this highly operational and logistical transition.

3710 Thank you, sir.

**The Bailiff:** Thank you very much, Deputy Dudley-Owen.

You will realise, Members, that no questions are permissible on a correction statement like that, pursuant to Rule 10(1).

#### **Procedural – Order of business**

3715 **The Bailiff:** We have got 11 minutes to go. We have got to do the Schedule for Future States' Business. Is it going to be the case that the rest of the business should just be deferred to the next Meeting? (**Several Members:** Pour.)

Deputy Helyar.

3720 **Deputy Helyar:** Sir, I would just like to ask, there are some in the legislation area of Income Tax, have you done that one already? (*Interjections*) Yes. Sorry, I apologise, I was not here at the time.

**The Bailiff:** We have got Items 8, 9 and 10.

Deputy Meerveld, any thoughts?

3725

**Deputy Meerveld:** Yes, sir.

I was actually going to put it to the Assembly that these items I do not believe are time sensitive and maybe they should be deferred to the Meeting of 15th February, because we now have a Jurats

3730 Election on 25th January and the very important tax debate and I think it would be prudent to move these back two meetings rather than one, if the Assembly is minded to do so.

**The Bailiff:** First of all, Deputy Oliver, as the President of the Development & Planning Authority, do you have any comment on that suggestion?

3735 **Deputy Oliver:** I live in hope that we can get through the tax debate and get through the business as usual in January. If it is not the case, then we can move it to the February debate, but maybe put it after the tax debate rather than before. *(Interjections)*

**The Bailiff:** Deputy Prow.

3740

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

I think the Assembly could deal with Item 9 in less than 30 seconds, sir.

**The Bailiff:** Well, I am not sure that we will.

3745

Deputy Roffey.

**Deputy Roffey:** The Guernsey Post ... it is not really time-sensitive. It is dealing with accounts of a period that has already happened. So like Deputy Oliver, I would be quite happy for that to be put after the tax debate in the hope that we will get to the end of it in January and if not in February.

3750

**The Bailiff:** Let me just explain that if any of these Items are deferred – and we will come back to Deputy Prow's Independent Monitoring Panel matter in a moment – if any of those matters are deferred, then under Rule 9 they get interposed after the first bit, but before the main business for the next Meeting. But it is not beyond the wit of anyone to move a motion to reorder the business on the day to bring the tax debate up front and then everything stays, and if it then needs to be further deferred it would be further deferred at the end of the Meeting at the end of next month. So is that the solution?

3755

Deputy Prow, are you trying to persuade us that we should deal with Article 9 now?

3760

**Deputy Prow:** Yes, sir. I think we should risk it.

**The Bailiff:** On your head be it then, Deputy Prow, *(Laughter)* if this engenders an awful lot of debate. But we will see if we can knock off one more before we get to the Schedule then.

## COMMITTEE FOR HOME AFFAIRS

### 9. Independent Monitoring Panel – Resignation of Member

*Article 9.*

*The States are asked to decide: -*

*Whether, after consideration of the Policy Letter entitled 'Independent Monitoring Panel: Notification of resignation of Member' dated 17th October 2022, they are of the opinion:-*

*1. To note the resignation of Ms Kelly Prevel as a member of the Independent Monitoring Panel with effect from 5th October 2022.*

**The Bailiff:** Greffier.

3765

**The States' Greffier:** Yes, sir. Article 9, Committee *for* Home Affairs – 'Independent Monitoring Panel: Notification of resignation of Member'.

**The Bailiff:** I invite the President of the Committee, Deputy Prow, to open debate.

3770

**Deputy Prow:** Thank you very much, sir.

Very briefly, this policy letter is to note of resignation of Ms Kelly Prevel as a Member of the Independent Monitoring Panel with effect from 5th October 2022. I would just like the opportunity to say two things. One, I would like to put on public record its thanks and appreciation to Ms Prevel for her contribution to the Panel over the last 19 months; and also to put on record the Committee's thanks and appreciation to all existing Panel Members for their commitment and dedication on their roles.

3775

Thank you, sir.

3780

**Deputy Inder:** Was that 30 seconds?

**The Bailiff:** I do not see anyone else rising in relation to this matter and therefore I will move straight to the vote and ask the Greffier to open the voting on this Proposition, please.

*There was a recorded vote.*

*Carried – Pour 36, Contre 0, Ne vote pas 0, Did not vote 3, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Aldwell	None	None	Deputy Gabriel	Deputy Bury
Deputy Blin			Deputy Leadbeater	
Deputy Brouard			Deputy Vermeulen	
Deputy Burford				
Deputy Cameron				
Deputy de Lisle				
Deputy de Sausmarez				
Deputy Dudley-Owen				
Deputy Dyke				
Deputy Fairclough				
Deputy Falla				
Deputy Ferbrache				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Le Tocq				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Meerveld				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Queripel				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Trott				

3785 **The Bailiff:** In respect of this single Proposition, to note the resignation, there voted in favour 36 Members; no Member voted against; no Member abstained; there were 3 absentee Members now who did not vote; and therefore I declare it duly carried.

## POLICY & RESOURCES COMMITTEE

### 11. Schedule for Future States' Business – Proposition carried as amended

Article 11.

*The States are asked to decide:- Whether, after consideration of the attached Schedule for Future States' Business, which sets out items for consideration at the Ordinary States Meeting on 14th December 2022, they are of the opinion to approve the Schedule.*

*STATES OF DELIBERATION SCHEDULE for FUTURE STATES' BUSINESS (For consideration at the Ordinary Meeting of the States commencing on the 14th December 2022.)*

*Items for Ordinary Meeting of the States commencing on the 25th January 2023*

*(a) communications by the Presiding Officer including in memoriam tributes;*

*(b) statements;*

*(c) questions;*

*(d) elections and appointments;*

*P.2022/110 – Committee for Employment & Social Security – Appointment of an Industrial Disputes Officer and Deputy Industrial Disputes Officer*

*(e) motions to debate an appendix report (1st stage);*

*(f) articles adjourned or deferred from previous Meetings of the States;*

*(g) all other types of business not otherwise named;*

*No. 80 of 2022 – The Income Tax (Guernsey) (Valuation of Benefits in Kind) (Amendment) Regulations, 2022;*

*P.2022/102 – The Air Accident Investigation (Guernsey) Ordinance, 2022\*;*

*P.2022/112 – Policy & Resources Committee – The Tax Review: Phase 2\*;*

*P.2022/109 – Requête – Deputy de Lisle – Revocation of all existing approvals of plant protection products (pesticides) containing the active substance Glyphosate\**

*Amendments to the proposed meeting dates and order are permitted only for those items marked with an \**

**The Bailiff:** I take the Schedule next, please, Greffier.

**The States' Greffier:** Yes, sir.

3790 Article 11, the Policy & Resources Committee, Schedule for Future States' Business.

**The Bailiff:** Do you have paper copies of the amendment?

3795 **Deputy Ferbrache:** No, sir. I am told they are not available. I know it is nice to have a piece of paper, but I am told they are now not available.

**The Bailiff:** So we will dispense with that then.

[Amendment 1:](#)

*To delete "14th December 2022" and replace with "25th January 2023"*

3800 **Deputy Ferbrache:** We would seek – I would propose, Deputy Helyar would second – to make an amendment to the document before the Assembly, to delete the date the 14th December 2022 and replace it with 25th January 2023. That was a mistake and obviously we are talking about the Schedule for the next time.

3805 **The Bailiff:** Deputy Helyar, do you formally second the amendment? (**Deputy Helyar:** Yes, sir.) Can I simply put that amendment to you, so that we have got the right date in the Proposition which will be next month, rather than two days ago? I will invite the Greffier to – this is on the amendment – open the voting on the amendment.

*There was a recorded vote.*

*Amendment:*

*Carried – Pour 36, Contre 0, Ne vote pas 0, Did not vote 3, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Aldwell	None	None	Deputy Gabriel	Deputy Bury
Deputy Blin			Deputy Leadbeater	
Deputy Brouard			Deputy Vermeulen	
Deputy Burford				
Deputy Cameron				
Deputy de Lisle				
Deputy de Sausmarez				
Deputy Dudley-Owen				
Deputy Dyke				
Deputy Fairclough				
Deputy Falla				
Deputy Ferbrache				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Le Tocq				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Meerveld				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Queripel				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Trott				

3810 **The Bailiff:** In relation to that amendment proposed by Deputy Ferbrache and seconded by Deputy Helyar to change the date, there voted in favour, 36 Members; no Member voted against or abstained; and 3 Members are not present at the vote. So I declare that duly carried.

We have not received any other amendments to the Schedule for Future States' Business.

**Deputy Gollop:** Point of order, sir. If I get the opportunity, I would like to wish you, sir, and all the court staff and Members a very Happy Christmas and a prosperous New Year, despite the tax

3815 debate, and also commend everybody for the recent successful Commonwealth Parliamentary Conference.

**Several Members:** Hear, hear.

3820 **The Bailiff:** Thank you very much, Deputy Gollop. We will get to that in a moment – *(Laughter)*

**Deputy Gollop:** Yes, I didn't know ...

3825 **The Bailiff:** – you have had premature Christmas wishes.  
We have now got to deal with the Schedule for Future States' Business.

**Deputy Gollop:** We did that.

3830 **The Bailiff:** There is nothing to add, because there have been no amendments. You know that there will be some matters deferred from this Meeting, the two matters. Will you open the voting on the Schedule, please, Greffier.

*There was a recorded vote.*

*Proposition:*

*Carried – Pour 35, Contre 0, Ne vote pas 0, Did not vote 4, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Deputy Aldwell	None	None	Deputy Gabriel	Deputy Bury
Deputy Blin			Deputy Leadbeater	
Deputy Brouard			Alderney Rep. Roberts	
Deputy Burford			Deputy Vermeulen	
Deputy Cameron				
Deputy de Lisle				
Deputy de Sausmarez				
Deputy Dudley-Owen				
Deputy Dyke				
Deputy Fairclough				
Deputy Falla				
Deputy Ferbrache				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Le Tocq				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Meerveld				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Queripel				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Trott				

**The Bailiff:** Now, in relation to the Schedule as amended, there voted in favour 35 Members; no Member voted against; no Member abstained; but 4 Members did not participate in the vote.

### Christmas felicitations

**The Bailiff:** Well, Members of the States, it is half past five – perfect timing! *(Interjections)* It may, given the topic of most of this Meeting, have seemed a bit like a long haul rather than island hopping. *(Laughter)* But as we reflect on the previous 12 months and the fact that this term of the States is at approximately halfway, so it is time for your quarter of orange to suck before you come back in January, what I would like to do is just to thank everyone for the way in which they have conducted themselves during the course of this year. It is really bedding in.

But more importantly, to wish you all a very Happy Christmas and a happy New Year for 2023. We hope that 2023 will build on the way in which the Assembly has been conducting its business. We hope that you get a rest over the Christmas break and that you all come back refreshed in 2023 for what will be some big ticket items by the look of it coming forward. But it is important for you, and all your families, to get a break, to have a bit of downtime, **(A Member:** Hear, hear.) to be part of the community and get out and about and see people.

What I would like to do is to remind Members that there will be the States' carol service taking place at the Town Church at 5.30 p.m. on Monday. So if people want to come along and have a bit of a sing and listen to some of us reading lessons – Deputy Ferbrache and I will be top and tailing the event – then please, it will be lovely to see you, and if not you, then encourage people who work for you to come along. You are welcome to bring family, friends – the more the merrier. A packed church would be absolutely lovely.

But have a good break, enjoy yourselves and come back ready for what I am sure will be an arduous few days in January. Deputy Gollop, thank you very much for your good wishes already.

We will you now close the Meeting, please. Greffier.

*The Assembly adjourned at 5.33 p.m.*