



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Wednesday, 25th September 2024**

*All published Official Reports can be found on the  
official States of Guernsey website [www.gov.gg](http://www.gov.gg)*

**Volume 13, No. 18**

**ISSN 2049-8284**

*Published by the States' Greffier, The Royal Court House,  
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**Present:**

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J. A. B. Gollop	H. J. R. Soulsby
S. P. Haskins	G. A. St Pier
M. A. J. Helyar	A. W. Taylor
N. R. Inder	L. S. Trott
A. Kazantseva-Miller	S. P. J. Vermeulen
C. J. Le Tissier	

**Representatives of the Island of Alderney**

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

**The Clerk to the States of Deliberation**

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

E. Gallienne Esq. (Deputy Greffier) (Afternoon)

**Absent at the Evocation**

Deputy A. C. Dudley-Owen (*absente de l'île*);

Deputy J. F. Dyke (*relevé à 10h 49*); Deputy J. P. Le Tocq (*relevé à 11h 52*)

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# States of Deliberation

*The States met at 10.22 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

## CONVOCATION

**The Deputy Greffier:** Billet d'État XVI and Billet d'État XVII of 2024. To the Members of the States of the Island of Guernsey, I hereby give notice that a Meeting of the States of Deliberation will be held at the Royal Courthouse on Wednesday 25th September 2024, immediately after the States of Election, convened for 9.30 a.m., to consider the items listed in these Billets d'État, which have been submitted for debate and Billet d'État XVII is convened pursuant to the provisions of Rule 2(4) of the Rules of Procedure.

## In Memoriam – Former Deputy Torode and former Deputy Honeybill

**The Bailiff:** Members of the States of Deliberation, sadly we must start this States' Meeting by paying tribute to two former Members of this Assembly. That is former Conseiller and Deputy Michael William Torode, who passed away on 3rd September, aged 83, and former Deputy for St Peter Port North, Jack Honeybill, who passed away a few days earlier on 28th August, aged 81. Their service overlapped between 2004 and 2008.

I will start with Mike, as he was generally known to everyone, who was born in Guernsey on 30th September 1940, shortly after the start of the Occupation. He attended St Martin's School and then Elizabeth College. On leaving school, he moved to England and joined the Metropolitan Police, in which he served for five years.

Thereafter, he changed career and joined the airline industry, where he became well known, working successively for Channel Airways, British Midland and finally Aurigny Air Services. It was of course a different era but one could imagine his views about how that airline has developed since it was acquired by the States, something with which Mike was involved at that time, particularly following the loss of the route to Heathrow.

He had retired from Aurigny in 1995, although his political career had started 16 years previously. Mike was first elected to the States at the 1979 General Election, as a Deputy for St Martin's. He then became a Conseiller, under the old States of Election system in 1985. He continued as a Conseiller in 1994, under the new Island-wide system, placing second and thereby securing a six-

year term until that office was abolished in 2000, at which point he returned to being a St Martin's Deputy and finally spent his last four years in the States as a Deputy for the new South East district.

30 It is fair to say that Mike served during times of significant change in this Assembly. Mike sat on numerous Committees during his long, 29-year stint in the States. In 1985, he immediately became a Member of what was then called the Labour and Welfare Committee. He was elected to the Public Thoroughfares Committee and that led to his first presidency a mere year later. His leadership skills and ability to get things to done were obviously recognised very quickly.

35 A few months later, he began a 10-year stint on the Recreation Committee. During his time in the States he also sat on the Elizabeth College Board of Directors, the Liberation Day Committee, the Ecclesiastical Committee, the Emergency Council, the Post Office Board and the Transport Board. He stayed on almost all these Committees for extended periods. There are probably many here who do not even recognise some of these names.

40 However, Mike is perhaps best known for his time dealing with the Home Affairs mandate. He was elected to the Police Committee, one of the predecessors of the present Committee for Home Affairs, in 1979, and became its President in 1983. He served in that role continuously until it became the Home Affairs Committee in 1993, when he continued as President and he was then the first Minister of the new Home Department, after the Machinery of Government reforms in 2004.

45 Mike served as an Acting Presiding Officer of the States from June 1994, being appointed successively by my predecessor Bailiffs Dorey, Carey and Roland. His political career culminated, if that is the right word, with 14 months as Chief Minister, from 2007, after the late Laurie Morgan and all the then Policy Council tendered their resignations in the episode known as Fallagate, following a critical report by the Wales Audit Office into the tendering process for a new clinical block at the Princess Elizabeth Hospital.

50 For a short period, I was an officer of the Policy Council and recall, as will Deputy Trott, who was then Minister of the Treasury & Resources Department, that there was a push for Guernsey to sign up a minimum of 12 Tax Information Exchange Agreements and, as Chief Minister, Mike signed the TIEA with the Netherlands just before he left office.

55 He stood down at the 2008 General Election. For three years from 1991, his brother Brian had simultaneously been a States' Member and he had first been elected before his older brother for one term in 1973.

60 There is, of course, life outside the States and Mike served time as President of both the Guernsey Riding and Hunt Club and the British Showjumping Association Guernsey Branch. He was senior steward at the Channel Islands Racing and Hunt Club. He was a long-term committee member of the South Agricultural and Horticultural Society, the organisers of the South Show, and was also involved with St Martin's Floral Activities.

In addition, he enjoyed boating, walking, reading and travel and he represented Guernsey at various CPA Plenary and Regional Conferences. He was an active member of the congregation of St Martin's Church, where his funeral was held a fortnight ago.

65 Mike leaves his wife Pauline, children Tina, Denise and Mandy, stepson Tom, grandchildren and wider family, to all of whom we extend our sincere condolences.

70 Moving onto Jack Honeybill, he was born in Manchester in 1943 in the month of June. He first came to Guernsey in 1973, on his promotion to assistant manager of what was shortly to become NatWest Bank. He moved back to England in 1976, before returning to Guernsey in 1981 and he remained with the bank here until he retired from it in 2001, having worked for the bank and its predecessors for 40 years in total. In short, he was a dedicated servant to that institution.

75 Jack was elected to the States as a Deputy for the St Peter Port North District at the 2004 General Election and he served for two terms. Given his finance background, it was perhaps not surprising that he was appointed to the Treasury & Resources Department, later becoming its Deputy Minister. He was also a member of the Environment Department for all his time in the States. In his first term he also served on the Culture & Leisure Department and the Public Sector Remuneration Committee. He was Chairman of the Lottery Advisory Panel, the political representative at the KGV

fundraising committee and the council of the Friends of St James. He also served as a governor of Ladies' College and he stood down at the 2012 General Election.

80 Outside the States, Jack had numerous interests and achieved much in them, in particular in the charitable sphere and the third sector. As many will recall he became the executive officer of the Town Centre Partnership in 2002 and he served in that role for many years. It worked hard to improve our Town.

85 He also organised the Town Carnival and continued when it became the Guernsey Street Festival, in capacity as its treasurer. He had also been involved with the visits of the Normandie Market for many years and the summer concert programmes in Candie Gardens. He was a member of the Guernsey Chamber of Commerce and the local Institute of Directors.

90 Perhaps significantly, he was Chairman of the Friends of Les Bourgs Hospice from 1994, which is the fundraising entity for that hospice. He held the post for more than 20 years, during which he launched the Hospice Lottery. The biggest project was to raise the substantial funds needed to enable the Hospice to be rebuilt, which as we know has been achieved.

He was the founder of a charity called MENFUN, now known as Active. He also used his previous experience to be the head of fundraising for the Little Chapel Foundation and the restoration works that were undertaken there.

95 The extent of his fundraising experience and knowledge made him the man to turn to when significant funds were needed. I can vouch for the fact that his energy and enthusiasm was unparalleled and I believe his success rates were extraordinary. As a result of this notable charitable and public service, he was recognised in Her Majesty Queen Elizabeth II's last Honours List in June 2022, when he was made a Member of the Order of the British Empire.

100 Jack also enjoyed golf and he was a keen football fan. He was also musical, playing the piano and the trombone, in the latter capacity as a member and one time leader of Guernsey Concert Brass. Jack leaves his widow Val, daughters Deborah and Claire, as well as grandchildren and his wider family, again to all of whom we also extend our sincere condolences.

105 Members of the States, will you now please join me in rising for a period of silence to honour the memories of former States' Members Mike Torode and Jack Honeybill.

*Members stood in silence.*

**The Bailiff:** Thank you all very much.

## Statements

### **Guernsey's financial position – Statement by the President of the Policy & Resources Committee**

110 **The Bailiff:** The first Item on the Order Paper, Members of the States, is a Statement made on behalf of the Policy & Resources Committee, by the President, pursuant to paragraph 3 of Rule 10 and I will invite Deputy Trott to deliver that Statement, please.

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

115 I have undertaken to regularly update the States on the latest financial position. I did this during the Accounts debate in July referencing the position at the end of April. Further, I provided a brief update at the beginning of this month as part of the general update. Therefore, Members are aware of the developing position for 2024.

We are now in receipt of the numbers to the end of August, and it is therefore timely to update the States ahead of the publication of the Budget and our thoughts turning to 2025. Since my last update, I am afraid to say we have received some more unwelcome news, which I will start with.

The Revenue Service has received what is called an 'error or mistake claim' from a bank relating to previously assessed tax years back to 2018 which amounts to £15 million. I should stress that this claim is still subject to rigorous and detailed checking by Revenue Service staff meaning that the quantum may change. Notwithstanding that, we must now make provision for this ahead of any repayment.

Now, I have no doubt that there will be suggestions that the Revenue Service has made an error. We have already been asked whether they have 'over taxed' the bank. However, I want to stress that this position is not one of the Revenue Service's making. The issue is in the bank's historic tax calculations which could not reasonably have been picked up by the Service.

I should also stress that this amount will not have an impact on the forecasts for future years. Officials from the Revenue Service have been in dialogue with the bank in question to ensure that the estimated assessment on which current year tax is being paid reflects its latest actual position. Therefore, I am as confident as I can be that there will be no further unpleasant surprises.

So, an already challenging year has now become £15 million worse, potentially. The General Revenue budget for this year anticipated a small operating surplus of £11 million which has now turned to a forecast outturn of a £24 million deficit. When the trading entity losses are added to this, it takes the deficit to £30 million for General Revenue alone. If we also consider Social Security income and expenditure, the overall operating deficit for core Government is now forecast at £46 million. To be clear, an element of this deficit is 'one off' in nature and does not impact 2025 and future years.

In terms of Social Security, the budget was for a combined operating deficit of £14 million, with the forecast now expecting a deficit of some £16 million. This is being caused by a small shortfall against anticipated contribution income and a slight increase on expected benefit payments.

As I said earlier, the forecast for General Revenue is now for an in-year operating deficit of £24 million versus the agreed budget of an £11 million surplus. The total deterioration is £35 million, of which £23 million relates to one offs. Breaking this down, revenue income in the first eight months of the year is just over £26 million short of the budgeted position.

Income Tax makes up £25 million of this shortfall. The majority of this has arisen due to the bank refunds and adjustments which I have already outlined. But there are also shortfalls in other company tax and Income Tax from individuals. By the end of the year, we are forecasting that Income Tax will be £30 million below the budgeted position.

There is also a shortfall on Customs duties in the year to date of just under £3 million. Now this is expected to improve by the end of the year due to the timing of imports and stockpiling ahead of duty changes. However, we are still expecting an adverse variance of about 1% or £1.5 million by the year end. Document Duty is still looking healthy in the year to date at £1.7 million ahead of budget, largely as a result of one exceptional transaction. By year end the receipts are forecast to be more in line with budget.

Overall, then, by the end of December, income is expected to be some 5%, or £32 million, short of budget. However, I am confident that the majority of this bad news relates to 2024 and does not impact the ongoing position of the States.

Turning to expenditure, Committees, Authorities and Departments have collectively underspent by approximately £4 million in the year to date. This is a similar value of underspend to that I reported for the end of April. However, this position is still masking the very real pressures being felt once again in health and social care with that area having now overspent in the year to date by nearly £2 million. As I reported in July: 2024 has seen an exceptional call on the Budget Reserve, with the whole of the general provision having been committed in the first four months of the year. This was due to several urgent and unplanned projects requiring funding.

The Committee has also since had to authorise further unavoidable funding from the budget reserve meaning it is now overcommitted. However, this has been done in the knowledge that the



170 balance held for GWP initiatives has not been used as quickly as Committees had anticipated and is unlikely to be utilised in full this year.

Looking at the forecast for expenditure overall – with the Health position set to deteriorate to an estimated £4.5 million overspend by year end, several other Committees facing expenditure pressures, and the calls on the Budget Reserve already mentioned – it is currently estimated to end  
175 the year just under £2 million over budget.

Now I should point out that experience of expenditure forecasts would suggest that not everything that is planned for this year will actually be delivered and so expenditure could well be lower than forecast.

The final element of the financial jigsaw is the losses of the States' trading assets, in particular the Ports. As part of the 2024 Budget, the States agreed to fund those losses in relation to the Ports,  
180 Guernsey Waste, and the Dairy to a value of £5 million through general revenue. The States' Trading Supervisory Board has reported that the losses are now forecast to be higher at just over £6 million.

Sir, I think it would be remiss if I were not to mention the GDP estimate for 2023 which was published yesterday. Members will have seen that GDP grew in nominal terms to £3.5 billion.  
185 However, elevated levels of inflation means that this level of growth was lower than the change in retail prices. So in real terms, our economy contracted by 2% in 2023. We need to bear in mind that this is a swing from real-terms growth of 4% in 2022.

Given our economy is small and much of the activity is concentrated in a small number of larger companies, this kind of volatility is not uncommon even if it is disappointing. There were downward  
190 contributions from several sectors, but the largest reduction came from banking activity. This follows an unusually strong performance in 2022 as a result of a number of factors, including changing interest rates.

It is most certainly not all bad news with growth in other sectors including investment, insurance and accounting, private sector health and entertainment. With falling inflation rates in 2024, some  
195 of the pressure on real growth rates will have receded but realistic prospects for real terms growth this year remain limited.

Sir, all Members of this Assembly know that my glass is generally full. Some often accuse me of having a glass that is overflowing. Unfortunately, 2024 has seen some of this drained – 2024 has highlighted the frailty of the States' financial position. It has shown how little resilience we have.  
200 And the GDP numbers have underlined the need to have a sharp focus on our economy and its growth.

All of this, along with the exhaustive work we have been doing to prepare the Budget, has shown the Policy & Resources Committee that it is time to make some tough decisions. We need to address this lack of resilience; we need to stabilise our base to be able to invest in the future – for our  
205 infrastructure and for growth. But, and this is really important, while our challenges remain, we should not forget that we are in a strong position to make these decisions.

We have very little in terms of 'national debt' – it is estimated at less than 9% of GDP for 2024 – and what we have is responsibly structured. We continue to have an extremely low tax base, which gives us room for manoeuvre. And, we tax our population less than the UK, less than Jersey, and  
210 less than the Isle of Man.

That does not take away from the serious challenges we face, but they are the same challenges faced by virtually all of the developed world. In some places the demographic pressures are already far more severe – a warning of what we could face if we are not smart, and do not take these issues seriously and soon.

So the current financial situation means we can no longer avoid taking important decisions. The Policy & Resources Committee will be publishing its Budget in less than two weeks' time. In it we will be putting forward proposals that seek to address the position we are in and which we believe will make a positive difference. Time is rapidly running out and now is the time for this Assembly to make the changes we need.  
215

220 Thank you, sir.

**The Bailiff:** Deputy Dyke, I think you missed roll call. Would you like to be relevéd?

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

**The Bailiff:** We will mark you as present.

Now it is an opportunity for Members to ask questions but they have to be asked within the context of the Statement. I will start with Deputy Parkinson.

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

Could Deputy Trott confirm, please, that the £15 million deficit, which has arisen from a recalculation of a bank's tax liability, is the same deficit that he has previously announced, I think in July, when he said that a bank was overcharged £16 million?

**The Bailiff:** Deputy Trott.

**Deputy Trott:** Sir, I welcome this question. I wondered if it was a little ambiguous myself. To be clear, it is £16 million plus £15 million. The £16 million is confirmed, the £15 million remains under significant scrutiny by the Revenue Service. But potentially, this bank ... and it is a position that is likely to be in excess of £30 million overall.

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Thank you, sir.

In the Statement, Deputy Trott did not make any reference to the investment returns received or expected this year. Is he in a position to advise the Assembly now or of course within seven days?

**The Bailiff:** Deputy Trott.

**Deputy Trott:** Yes, I can confirm that investment returns have been positive and on 7th October, when the Budget is released, reference to that will be made. But I think for the preceding year, for 2023, if my memory serves me correctly, the investment returns are positive, at or around £90 million.

**The Bailiff:** Deputy Gabriel.

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

I understand from the Statement that these are historical over-taxation problems. I would like to know when they came to light and when Deputy Trott was made aware of them. Also, my other question was around the £16 million, which has been confirmed, which has resulted in unpleasant surprises from our colleagues at the Revenue Service, delivering them to Deputy Trott. How many more unpleasant surprises are we going to get from the Revenue Service, like plenty of Islanders in the same position, who have had unpleasant surprises?

Thank you.

**The Bailiff:** Deputy Trott.

**Deputy Trott:** Again, sir, entirely valid and justified questions. The first thing to say is that when we first found out, as the Policy & Resources Committee, with regard the £16 million, that was just a few days before we updated this Assembly at the start of this month. We found out about the additional £15 million just a few days before we are updating the States this time around.

I think the question was what confidence can we have that this will not happen again? You will not be surprised to know that these are questions that we have asked vigorously of the Revenue Service and I have a prepared answer. I think it is important the States hears the same answer that we have received at Committee level.

It is not uncommon for error or mistake claims to be submitted to the Revenue Service.

This is apparently part and parcel of their everyday workload.

It is, however, extremely rare for such claims to be material or of this magnitude. The Income Tax Law does go some way to protecting States' Revenues as a claim for error or mistake can only be carried back to the previous six years.

So these claims, the second set of claims, go back historically to 2018. There is no remedy, under our Law, for it to go back any further.

**The Bailiff:** Deputy Inder.

**Deputy Inder:** Only incredibly briefly, sir, but I think Deputy Trott might have answered it. Just to reconfirm this recalculation of the tax position of that bank, this is them recalculating their position and informing the Revenue Service, not an error by the Revenue Service.

**Deputy Trott:** Again, it is incredibly important that this is clarified and again I welcome the question from Deputy Inder. It was not an overcharge. The assessments were issued originally based on the tax computations submitted by the bank's professional tax advisor. A subsequent review by the bank's advisor established expenses that had been offset incorrectly against a zero-rated income stream in error. This has resulted in a further claim by the bank being made for earlier years, resulting in the additional overpayment now being reported. The £16 million was accepted, the £15 million considers to be subjected to rigorous scrutiny.

But it is important to make clear that the Revenue Service are not at fault. It is obvious that this bank's previous professional tax advisor was.

**The Bailiff:** Deputy Mahoney.

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

I thank the President for that update. It is certainly useful that another Member picked up that this was a different large sum because I, I think like many, had probably assumed it was the same amount, there was just more detail coming in on it.

The President has made it very clear that this £15 million was entirely of the bank's doing and that is – I was going to say good to hear; obviously not but ... The £16 million, then, was that of that bank's doing entirely or was that the Revenue Service? And are we talking about the same bank here, that has had extraordinary bad luck for £31 million, or is this a second bank where we now have a massive difference?

Also, in his update, he noted that generally the Income Tax take was down by, I think he said £25 million, but then I think referred to the bank error. Surely this would be £15 million difference in corporate taxes, not Income Taxes? If he could just clarify, is this company taxes we are talking about or Income Tax that they have been overcharged, overpaid?

**The Bailiff:** Deputy Mahoney, your time for asking the question is up.

Before I invite Deputy Trott to respond, it is not hugely helpful to have multiple questions asked. It is desirable that when a Member stands up to ask a question on a statement or a supplementary question to an answer given when we get to Question Time proper, that there is a single question put to the person who is going to answer it.

Deputy Trott to reply, please.

320 **Deputy Trott:** We are referring here to corporate Income Taxes, it is one bank and the  
£16 million has been agreed by the Revenue Service, so that is a fact. The current £15 million is  
being very closely and vigorously investigated. So the top side is £31 million. We believed it was  
appropriate to inform this Assembly as soon as possible. At this stage, we cannot be absolutely  
certain as to whether all of that £50 million will in fact be allowed. By the time of the Budget, or the  
Budget release, which is now just two weeks away, we will know for certain.

325 **The Bailiff:** Deputy Meerveld.

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

330 This is obviously of great concern. How can the Assembly be assured there are no further cases  
like the one involving this bank?

Thank you, sir.

**The Bailiff:** Deputy Trott.

335 **Deputy Trott:** Again, sir, a very welcome question. Although similar to a previous one, it is  
important that I again reiterate, it is not uncommon for error or mistake claims to be submitted to  
the Revenue Service. But it is extremely rare for such claims to be of this materiality or magnitude.  
The Income Tax Law, as I have mentioned earlier, does go some way to protecting States' revenues  
as a claim for error or mistake can only be carried back to the previous six years.

340 As a consequence of that, we can be pretty certain – it offers little comfort, but pretty certain –  
that the claim will not be any greater. But to confirm, the £16 million is accepted, the £15 million is  
under vigorous scrutiny. But on the grounds that there is an ongoing error here, my instincts tell  
me that much of that number is likely to materialise as being actual.

345 **The Bailiff:** Deputy Dyke.

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

350 Could I just ask the Chief Minister if he could possibly clarify that tied up with these errors,  
however made, has not been any movement or diversion of business away from Guernsey to other  
jurisdictions? Could he possibly clarify that?

Thank you.

**The Bailiff:** Deputy Trott.

355 **Deputy Trott:** Again, a most welcome question, and I can clarify that this has got nothing to do  
with any movement of business. So this bank continues to be in a very strong position. No, this is  
simply an error of things being booked against the zero part of Zero-10, rather than where it should  
have been booked, against the 10% rate. As a consequence, forgive me, it is actually the other way  
around, of course it is. It has been a long few days!

360 This is not an ongoing problem. This is enormous, admittedly, but it is one-off, exclusive to a  
single bank, and should not present any ongoing challenges.

**The Bailiff:** Deputy de Lisle.

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

Never has it been so necessary to make savings, given the Statement and the concerns for the  
public with respect to the forthcoming Budget. Can I ask the President, when are we to receive an  
update on the Savings Report that went to public consultation some time back that I believe we are  
still waiting to receive a report from the savings that the public have suggested?

**The Bailiff:** Deputy Trott.

375 **Deputy Trott:** I have just been reminded by my very able colleague, Deputy Soulsby, that there has already been a partial publication but the matter will be covered more extensively in the Budget. One of the problems that we had was the so-called Savings Committee that was set up to look for savings found itself overwhelmed with suggestions from the community on how to raise revenues through additional taxes and fees. So whilst its objective was laudable, its outcomes were not quite as we may have wished for.

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

**Deputy Kazantseva-Miller:** Sir, the President has focused our attention on the GDP growth in 2023, which was a negative 2% in real terms. Would the President agree that Committees and this Assembly should give extra scrutiny to any attempt to increase benefits, minimum wage, or any other kind of expenditure above inflation levels because we are potentially putting ourselves in this negative spiral where over-inflation is actually affecting real economic growth?  
Thank you.

390 **The Bailiff:** Deputy Trott.

**Deputy Trott:** I will answer it in this way. The first is we are fortunate that inflation is now falling. A lot of the problems that we have had with having to announce a 2% fall in GDP in 2023 is as a consequence of the effect that inflation has had on those numbers. In nominal terms, our economy grew quite strongly. Once the effect of inflation is overlaid, that is where you get the 2% real terms contraction.

395 But what we have learned through our exhaustive work on the Budget for 2025 is how positive the impact on this economy can be through sensible, infrastructure investment and the Budget for next year will have a strong focus on that key part of economic recovery and economic growth.

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

**Deputy St Pier:** Thank you, sir. I am reminded that in *Monopoly*, there is a Community Chest card, 'Bank Error, bank owes you £15.' I do not remember one, you owe the bank £15 million. But nonetheless my question relates to trading losses, which Deputy Trott has referred to, particularly within the Courts. That of course does not include Aurigny. Can he confirm that the pressures that Aurigny has been under this year are not included in that number but Aurigny is sufficiently capitalised and does have sufficient access to cash that it will not need any further injection from taxpayers?

410 **The Bailiff:** Deputy Trott.

**Deputy Trott:** I am able to say yes to both questions.

415 **The Bailiff:** Deputy Vermeulen.

**Deputy Vermeulen:** Thank you, sir, and I thank the Chief Minister for his excellent update. On it he touched in focusing on the economic growth and addressing our lack of resilience. With us facing these headwinds, does he agree with me that we can no longer keep doing what we have always done, whether it be at the Airport, losing £6 million, or ignoring procedures, perhaps off-  
420 Island, with half the value – knee replacement, cataracts, that sort of thing. Is it time to address what we have always been doing and look at it through a fresh set of eyes?

**The Bailiff:** Deputy Trott.

425 **Deputy Trott:** Sir, we must always and constantly review all of our actions and behaviours and  
test our vision for the future. But one of the problems we have and I ask my friend Deputy  
Vermeulen, in particular, to take this on board, is we continue to have an extremely low tax base,  
which does give us room for manoeuvre, that is one positive. But I really ask him to bear something  
430 in mind. We tax our population less than Jersey taxes its and less than the Isle of Man taxes its  
population.

The consequence of that is that we spend less on public services *per capita* in Guernsey than  
either of the aforementioned Crown Dependencies and further to that we invest less in our  
infrastructure. The 2025 Budget will address those matters and will focus on the importance of  
infrastructure investment to grow and indeed sustain this economy?

435

**The Bailiff:** Deputy Burford.

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

I thank the President for his very helpful update. Deputy Trott's views from the various tax  
440 debates we have held this term are quite widely known, I would say and, with that in mind, and with  
what he said in his speech, I wonder if Deputy Trott could tell us if the Budget, when it comes, will  
be proposing an increase in the basic rate of Income Tax?

Thank you.

445 **The Bailiff:** Deputy Trott.

**Deputy Trott:** I cannot tell Deputy Burford that because we are very closely controlled by Budget  
secrecy matters. But what I can say, sir, is that Deputy Burford is an intelligent woman and she has  
followed debate on these matters quite closely and as a consequence of that, it sounds like she  
450 would be less surprised than she might otherwise be, should the Budget have that particular  
proposal.

**The Bailiff:** As there are still Members who wish to pose questions to the President, I will extend  
the period of questioning in any event. I know we are not quite up there yet, but I did take some  
455 time to address the multiple question issue.

Deputy Queripel.

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

I am somewhat confused how a bank can make a mistake that results in such miscalculations as  
460 £16 million and £15 million. But my concern is that if one bank can make that kind of mistake, how  
can we have faith that other banks have not made similar miscalculations?

**The Bailiff:** Deputy Trott.

465 **Deputy Trott:** First of all, sir, it is extremely rare for a bank's tax advisor to make errors of this  
magnitude and we asked a question about why didn't the Revenue Service notice this error in the  
expenses being allocated, which is where the problem derives? We were told that expenses were  
allocated by the bank to their 0% income stream and when looking at the tax computations  
submitted there was no reason for the service to challenge that allocation. The work of the auditors,  
470 the work of the tax advisors, particularly given this was increasing the tax liability. There was no sort  
of suggestion that they were looking to avoid tax.

The mistake was that the allocation was incorrect and as a consequence of that they were paying  
substantially more tax than they were entitled to pay and I believe there are others – Deputy  
Parkinson and Deputy St Pier, to name but two – whose understanding of the Income Tax Law is

475 greater, but I believe that all taxpayers are under a responsibility not to pay more tax than they are due. They have to pay the tax that is appropriate for them to pay, but not taxes in excess of what they were fundamentally due to be paying.

So when this error was identified by the bank's new advisors, the Revenue Service was immediately notified –

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**The Bailiff:** Deputy Trott, your time for answering is up.

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

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**The Bailiff:** Deputy Mahoney.

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

Very brief, Deputy Trott noted the six-year time bar. Is it the fact that we got out of jail a little bit, then, and in fact the error was beyond 2018 and therefore we are only subject to the 2018-2024, or was the error just from 2024?

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**The Bailiff:** Deputy Trott.

**Deputy Trott:** Sir, on the grounds that claims cannot go back beyond 2018, what we are dealing with here now is between 2018 and effectively the tax year of 2023. So I do not know, is the answer, how much worse it could be but I can say with absolute clarity is I am delighted there is a six-year statute of limitations on these matters.

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**The Bailiff:** Deputy St Pier.

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**Deputy St Pier:** Sir, lightening the mood, would Deputy Trott seek to comment on those who say that life was sunnier when the Committee was presided over by Deputy Ferbrache? *(Laughter)*

**Deputy Trott:** A most welcome question. Thank you, sir. I do remember my good friend, Deputy Ferbrache, questioning some of the information that he had got from the Revenue Service and wondering at the time whether there was any favouritism being extended towards the new Committee. I think it is fair to say, through you, sir, that it is obvious that was not the case then and certainly is not the case now!

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**The Bailiff:** That will conclude questions in the context of that Statement.

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**General update –  
Statement by the President of the Committee for Economic Development**

**The Bailiff:** We will move next to the update Statement, pursuant to Rule 10(4), on behalf of the Committee for Economic Development, and I will invite Deputy Inder to deliver that.

**Deputy Inder:** Thank you.

515

Sir, Members, I will provide Members with an update on the recent activities and future plans for our Committee.

The finance sector remains an important driver of Guernsey's economic growth, reflected by the fact that the financial and insurance sector contributed the highest portion – £1.3 billion or 37% of total GDP in 2023.

520 If you include legal and accounting activities, GDP increases to an estimated £1.5 billion. That equates to roughly 44% of the Island's entire economic output; which is roughly the same proportion as it was in 2022. In addition, the finance sector employed 7,766 people, making it also the largest employer on the Island. The promotion and marketing efforts of Guernsey Finance continues to be an essential driver of the success and growth of the sector, ensuring that we remain competitive on that global stage.

525 From a business development perspective, it continues to represent value for money with Guernsey Finance currently facilitating the introduction of three new life branches on the Island and a new fiduciary licence. These have been the catalyst for numerous new trust, company and fund structures being moved to or formed on the Island. Guernsey Finance is also working on over 40  
530 significant pieces of new business for Guernsey including, notably, the establishment of a new banking licence, a new insurance licence and also the establishment of a new fund manager to the Island. That is actually good news.

The work on the Moneyval continues and I would like to take this opportunity to thank the team at the Guernsey Registry for their hard work and dedication on delivering the new IT system.  
535 **(A Member:** Hear, hear.) This will impact positively on the Moneyval assessment and the Committee is grateful to the former and current Policy & Resources for their support throughout the three-year Registry IT upgrade.

Members will recall that significant work has been undertaken to better understand and address certain challenges for local banking services including a reduction in the number of licensed banks,  
540 concerns in relation to alleged delays in account opening times, for some local business customers, and concerns in relation to the availability of credit cards for local residents.

As previously reported, one of the barriers identified has been the difficulty which credit reference agencies have in confirming the names and addresses of local residents as part of their due diligence to issue those cards. The Committee for Home Affairs has continued to make real  
545 progress in this area and in March the Assembly approved a policy letter to establish an electronic Electoral Roll ahead of the 2025 General Election. Crucially, this will enable credit reference agencies to access data contained within the new electoral roll from 1st December, 2024. **(A Member:** Hear, hear.)

Members will be aware that in July the Committee commenced a review of the Competition Law and regulation in Guernsey. I am pleased to report that the Committee has, to date, received 19  
550 consultation responses, including from key stakeholders and from Members and Committees of this Assembly.

The Committee has commissioned a review of the competition and regulatory frameworks in comparable jurisdictions from Frontier Economics and Island Global Research is undertaking  
555 consumer research to inform that review.

A number of key themes are emerging from the consultation and Members will have received an update from those earlier this month. Crucially, respondents recognised that Guernsey is a small jurisdiction and that it needs a competition and regulatory framework that is proportionate to the jurisdiction's size.

560 Of significant interest to Members and the wider community is that of our sea links. I have been working closely with my Jersey counterpart, Deputy Kirsten Morel, and my Committee, to ensure that we have considered both the short-term challenges and the long-term opportunities in respect of our lifeline sea links on a pan-Channel Island basis.

We are near the completion of that procurement process. Bids are being assessed by officers in both Islands against agreed criteria including resilience, reliability, passenger experience and  
565 financial sustainability. I anticipate that the Committee will be able to make an announcement on the outcome of this process in October.

On air connectivity, the Committee, like many Islanders, has been concerned by the level of disruption that passengers travelling on air services operated by Aurigny have experienced this year.  
570 In response, the Committee commissioned an air connectivity and performance review from Frontier Economics, something entirely independent.



The review will be looking at three critical success factors as set out in the Air Policy Framework – affordability, connectivity and reliability – and the findings will feed into the Committee’s review of the air transport licensing policy. The Committee will shortly be briefed on the findings and will then decide what further action may be required.

And importantly Members, the Committee has also recently written to the CEO and the Board of Directors asking them to prioritise the reliability of the route to London Gatwick and has invited the CEO and the Chairman to meet with the Committee shortly to discuss their plan for delivering this. When we came into this States, we had all gone to a presentation by, I think it was, the then IoD. They spoke about connectivity, and we certainly cannot leave this term with this Island in a worse state than it was and this entirely has to be dealt with very quickly.

The Committee budget for tourism is £1.6 million in marketing Guernsey as a destination. This is a significant investment and at an important time as we, like many other destinations, continue to recover following the COVID years.

The latest figures show that there were 58,000 staying visitors in Guernsey during the second quarter of 2024. That is an increase of 9% above Quarter 2, 2023, that is still recovering, but it is 14% below the level in Quarter 2, 2019. Our staying visitor numbers are recovering but have not yet recovered fully to the level that they were before the pandemic. Travel habits have changed and cost of living pressures are affecting disposable incomes. And it cannot go without comment that the twin issues revolving around our sea and air carriers have not helped that recovery.

Cruise passenger numbers have significantly reduced in recent years. This is in part due to two of the largest cruise operators no longer calling at St Peter Port. We have established a Cruise Steering Group with political and senior officer representation from both EcoDev and the STSB and the Ports Board to look at what service improvements could be made to encourage those cruise operators to return to Guernsey. This work is also likely to mean investment in port facilities and the Committee recognises that a path to greater recovery will require working in partnership with STSB and likely to mean some capital expenditure.

Already, we are seeing positive results and early indications for 2025 and 2026 are encouraging. Based on the confirmed schedule, the number of cruise passenger numbers for next year are already forecast to be up on this year, accepting coming from a lower base. And two major cruise operators have reintroduced Guernsey into their itineraries for 2026. Together the two operators will visit four times, with capacity to bring more than 10,000 passengers in total.

The fibre broadband rollout continues at pace and is ahead of schedule. More good news. As at the end of August, 68% of premises are now fibre ready and 40% of households are now connected to fibre – that’s 13,000 local premises now using fibre.

The Committee will be bringing a policy letter to the States’ Assembly before the end of the political term on deploying next generation 5G mobile technology to the Bailiwick.

The Committee has commissioned PwC to undertake an important study to measure the value of Guernsey’s digital economy. PwC’s survey is currently open to organisations across all economic sectors to input into the study. There is an extremely good news story here; if the States gets all elements of its digital aspirations lined up, by 2027 this Island will be one of the most connected jurisdictions in the world – a jurisdiction focused on global business with a digital network to match.

The Committee has also launched a two-year pilot for a Guernsey Enterprise Investment Scheme, ably led and inspired by Deputy Kazantseva-Miller. The scheme aims to encourage investment into high growth, early-stage businesses in Guernsey by providing an investor benefit to those investing into start-ups and developing businesses. The scheme will be open for applications from October.

Work also continues on the implementation of the Skills Strategy. The Committee is working jointly with Education, Sport & Culture to establish a Skills Guernsey Board that will oversee the implementation of the Human Capital Development Plan.

Following industry feedback the Committee has also commenced an independent review into Non-Government Early Childhood Education and Care. This work will combine with the Participation in Work project led by P&R and is expected to complete by the end of the year.

Sir, Members, I am coming to the end. A key constraint for the economy is a lack of available housing. (**A Member:** Hear, hear.) The Committee's view is that it is absolutely critical that real progress is made in delivering not just social housing, but also affordable housing in the private sector.

The Committee is supportive of the plans for the East Coast and the Harbour Action Areas being developed by the Guernsey Development Agency and wants to support a real drive on housing and regeneration, not just next term but for the remainder of this term.

Building homes for Guernsey folk is critical; our sons, our daughters and their families deserve a place in their Island. I have said it before and I will say it again. It is my view that there has been far too much emphasis on health workers and social housing. The question we need to ask ourselves is what is in it for aspirational Guernsey families?

I look forward to answering any questions.

**The Bailiff:** Well, Members of the States, there is now an opportunity to ask any question you wish, provided it falls within the mandate of this Committee.

Deputy Cameron.

**Deputy Cameron:** Thank you, sir. I thank Deputy Inder for his update.

Given the news the Chief Minister gave us this morning that Guernsey's economy is contracting, what more can the Committee *for* Economic Development do to develop the Island's economy?

Thank you, sir.

**The Bailiff:** Deputy Inder.

**Deputy Inder:** It is really about what we can all do. What the Chief Minister also said, the path to growth is investment. That is what he actually said. He also said that in his Budget he will be tipping his hat, or at least the Committee's hat to that. If we were to put it in some kind of wrapper to answer Deputy Cameron's question directly, housing is entirely key to this. It is entirely key.

But there are other things we could look at. We are looking forward to receiving the Guernsey Development Agency East Coast Development Plan, that is something this Assembly will be looking to adopt. We have also, I think Deputy Roffey has said, we have got the Marina policy letter coming too. That obviously helps the marine industry as well. I believe – and I never get these things right – all the great work the DPA is doing around the Harbours, I think it is the Harbour Area Action Plan – is that right? Yes, I finally got that right!

So all those things are basically opportunities for Guernsey. Growth has to come from investment. We cannot sit here and wait for it to happen. It has to come from infrastructure and investment.

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Thank you, sir.

In his Statement, Deputy Inder has made reference to the need for more housing and affordable housing. In a previous discussion in this Assembly, Deputy Soulsby and others have made reference to the very high cost of building materials in the Island. Has the Committee taken any action to instruct or request and fund the Competition Regulatory Authority to look at the issue of competition in the building materials industry?

**The Bailiff:** Deputy Inder.

**Deputy Inder:** Almost certainly. I was listening very carefully to the last time we discussed the GCRA and a number of Members have informed part of the 19 stakeholders. I can assure Deputy St Pier that we are listening intently to that and there is more than a likelihood that the Committee

675 will be recommending some sort of market review. But with some challenges, as Deputy St Pier will understand.

There is no point having a market review if all we have got is something at the end of the report that says basically this is good, this is bad. What actually happens at the end of the review? What are the action items the Government can put in place to effect change to whatever we find is problematic?

680 That is really quite important. But to answer his question, the answer is yes, I was listening intently.

**The Bailiff:** Deputy Leadbeater.

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

Deputy Inder will not be surprised that I will be asking him about tuna quotas because it is the repetitive question that I have every time he does one of these updates. So can he give me an update on where we are with getting a tuna quota for our fishing fleet, please?

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**The Bailiff:** Deputy Inder.

**Deputy Inder:** I think I am going to basically give the same response I did a year ago now. We have made an application to join the ICCAT, which is basically the Atlantic Tuna Conference Council, I just have not got the acronym. Effectively that is the path to getting focus on that fishery. Once that application, I know it has been made but again these things take a while for them to accept our application, there are two paths to getting any of the tonnage. Us making an argument independently, which from what I understand is less likely, but doing it via the UK tonnage, which currently I think this year was about 63 tonnes, give or take, if they haven't caught them all ... but it may be the case that we end up getting adopted into the scope of ICCAT but the terms might be that is fine, you can fish in your water but go and get your quota from the UK. That might be one of the options.

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Thank you. But to answer his question, again, it will not be this year, obviously. I beg your pardon, just to finish off. Again, the next President of Economic Development may be having this. These are very slow processes.

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**The Bailiff:** Deputy Gabriel.

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

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I recently had cause to travel to Europe and stay in a hotel and Deputy Inder mentioned that our visitor numbers are not where they were, certainly. I did not hear anything about the work that Visit Guernsey are doing or even the Tourism Management Board. But on the back of that, when in Europe, I paid a city tax. Is there going to be any update on a Guernsey bed night tax for visitors?

Thank you, sir.

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**The Bailiff:** Deputy Inder.

**Deputy Inder:** After last night's email I anticipated that question! The visitor tax came off the back of one of the multiple tax reviews we have had. I think it was one that the Fairer Alternative adopted initiatives that they got through. I have said publicly I am not a fan of it. I think they are a risk. But that is not my job. My job is to take direction of the States and the intent or the desire, at least, is to look at that visitor tax and get something rolled out, the initial intent is to get something rolled out by the next season. We have put a little bit of work together, a small piece of work for an officer to look at the details.

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One seems to be saying it is a good idea but you have actually got to look at it properly on what the impact might be. I will give an example, it is an extreme example. If you chase the £2 million

direction, if only one person comes to Guernsey for one night, they get a £2 million bill. Even though there is a desire to chase that £2 million for all the reasons, we have got to be very careful because there is a price point on all travel. There really is.

730 If we chase the actual budgeted figure, my great fear is that we will end up affecting a tourism sector, which is still in recovery. Irrespective of what people are hearing, I will state it here, we are still in recovery. We are 14% lower than we were pre-pandemic but this Island is still on recovery. My great fear is damaging that recovery.

735 **The Bailiff:** Deputy Brouard.

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

Does Deputy Inder agree with me that we need more housing of all tenures and type? And a health worker coming here to nurse and care for Islanders, in the absence of key worker accommodation, will be in competition with our home-grown sons and daughters?

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**The Bailiff:** Deputy Inder.

**Deputy Inder:** It is Health's job to worry about health workers. It is my job to look at the broader picture. Not everyone works in health. Some people work in retail. Some people drive trucks. Some people dig roads and some people may never get ill. This is my politics more than I think the Committee's, that what worries me that everything we have built so far is all about health workers. Sorry, everything we have bought so far has all been about health workers and it does concern me that Guernsey folk are being left out of that great conversation.

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750 **The Bailiff:** Deputy de Lisle.

**Deputy de Lisle:** Sir, thank you.

I am pleased to learn of the action being taken with respect to the slump in cruise ship visits, but our main income from tourism is derived from staying visitors, again seeing some reduction through time. What is Economic Development doing to encourage a major lift in staying visitors to the Bailiwick?

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**The Bailiff:** Deputy Inder.

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**Deputy Inder:** Sir, I have just explained through my Statement that effectively we are still on recovery. We are 40% less than we were pre-COVID but it is on recovery. There has been a general slump but that had something to do with the pandemic. I cannot help it. If Deputy de Lisle wants to believe that tourism is on a decline. It is not. It is recovering from some very difficult times and I think that should be reflected and if not, he may just say thank you.

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**The Bailiff:** Deputy de Sausmarez.

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

I can assure Deputy Inder, actually, that the Committees responsible for housing are very aware of the balance that is required between key worker and general affordable housing. But on the issue of tuna fishing, I just wondered if Deputy Inder would be able to confirm my understanding that ICCAT membership would be likely to permit only the kind of activity around catch and release for monitoring purposes, rather than catch and kill. I wonder if he could confirm that just in order to clarify any expectations to the contrary?

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**The Bailiff:** Deputy Inder.

780 **Deputy Inder:** I think that is correct. There is another technical reason for it. Even if we went down the, I am going to use the word, catch and kill or catch and sell route, almost certainly every single vessel would have to be prepped to the point and generally, from what I have seen so far, it is so expensive to build those boats into the point where they can reasonably catch that fish to get it to market, I think that is going to be problematic. My guess is it is more likely to be catch and release and the opportunities for a great fishing area for boating anglers.

785 **The Bailiff:** Alderney Representative Snowdon.

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

790 I believe the Guernsey Chamber of Commerce recently made a statement about merging Aurigny and Blue Islands should be looked at. Does your Committee have any views about the statement from the Guernsey Chamber of Commerce?

Thank you.

**The Bailiff:** Deputy Inder.

795 **Deputy Inder:** I am going to try to answer Alderney Representative Snowdon's question without the feeling it has got nothing to do with me, speak to Deputy Roffey, which is a stock answer. Actually it is one of the answers. In all of that, there is certainly something that is required between the two Islands to look at that general churn.

800 What I have got and I am happy to share this actually, interestingly, I have got a data sheet, I can share it with all Members later on. What has clearly happened over the last 10 years, the inter-Island travel, Guernsey-Jersey, we have looked at, which must include Alderney, to be fair, has dropped something in the order of 50,000 passengers. There was obviously a collapse over COVID but it just has not recovered at all. I am happy to share that with Members.

805 We talk about everyone being able to go Australia, New Zealand or 500 destinations in England but actually there is something missing in all this. There are conversations I am having with Jersey. There is an opportunity to look at that internal churn of money around the Islands. I hope that answers his question to a degree, rather than the stock one I could have given.

810 **The Bailiff:** Deputy Blin.

**Deputy Blin:** Thank you, sir. I would like to thank the President for his Statement and its spread across all the different sectors.

815 I would like to talk a little bit about the finance sector to ask a question. Great to hear about new applications, banking and particularly a fund manager, there are not very many in the Island. However, there are still issues within our community, financial services community, regarding opening a bank account, which have been really a struggle and it has led to some companies finding alternatives and even being forced to use online banking for businesses where either it is Escrow or other situations. Could the President tell me what his thoughts are on that and the progress, given that it is a big issue?

820 Thank you.

**The Bailiff:** Deputy Inder.

825 **Deputy Inder:** Indeed. I am going to put some challenge into Deputy Blin. He has got business in recruitment, he knows a lot of people in finance and he is sort of a man about town. He has told me this a number of times but all I would encourage any Member to do, if they have got that kind of evidence, do not keep it to yourselves, write to me and our Director of Finance and we will try to action it. But I need to gather that data. There is little point us having that conversation we had a week ago, in another place; I put some challenges to Deputy Blin and asked him to send me that

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email and I have not received it yet. I am actually here to help. I will help anyone who fires information to me and I will pass it on. The Director of Finance has not received that email either.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Perhaps Deputy Inder can help me.

We have had questions about the alleged decline of tourism and cruising. There was recently a media feature on the slight decline in cruise passengers and one argument was made, perhaps it is more of an STSB issue than Economic Development, but I would like to hear the President's views on whether we could improve facilities for landing cruise passengers, especially those with age or disability issues, so that we have newer tenders or a newer, more appropriate way of landing people so that more can enter local museums, cafes and shops? Will Economic Development work with STSB to improve the tenders?

**The Bailiff:** Deputy Inder.

**Deputy Inder:** I made direct reference to that in my opening speech. Deputy Vermeulen –who cannot stand up, before he does, just reminding him, I saw him move! – is part of that cruise steering group and I have said in my opening Statement that that work is ongoing. We are looking at more offers in 2026 but part of that, directly to Deputy Gollop's point, is going to be about tendering. Tendering has been an issue for some of the vessels not landing in Guernsey and we will have to decide or the next Assembly will have to decide, what they believe the value of the cruise industry is.

Again, back to infrastructure and investment, you cannot just expect people just to turn up in a fairly old harbour. It is not the way the world works. We will have to invest some money to keep these cruise liners coming to Guernsey and I did make that point in my Statement. But that will be for another Assembly.

**The Bailiff:** Deputy Dyke.

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

I thank Deputy Inder for his report. I am pleased to hear that there is another Frontier Economics report on the way, in addition to the first two. I am sure no one in this Assembly has any financial interest in Frontier Economics. Can this report that is being done, be expanded to cover a subject that Frontier have already covered, namely the economics of extending our runway to allow normal size European jets, the A320, 737, to land here, and in particular to actually do a proper costing, a real, actual costing of what it would take to do it, including quotes. I do refer to the point that Deputy Inder referred to earlier, regarding the Guernsey Hospitality Association –

**The Bailiff:** Deputy Dyke, your time for asking a question has expired. Deputy Inder to reply please.

**Deputy Inder:** Through you, sir, to Deputy Dyke, I entirely understand his position, where he wants to be, and it is not an unreasonable position to want activity and growth, and the thing seems to be this whole issue over EMAS. He is asking us to extend the terms of a piece of work which has never included that. It just does not include it. So the short answer to his question, I am afraid I am going to decline that.

But I am reminded that, in answer to questions, I think it was the last session, it was actually Deputy Trott, who let us know that there was some work being conducted on EMAS. That is a question really for him, someone who is quite keen on that.

Secondly, I have got to remind people that, as much as it annoys people, we do take direction, and the consequence of the Airport extension was that, effectively, the next time this will be

discussed, it will be in the hands of STSB at the point when they decide to re-tarmac that runway. It currently is not a matter for Economic Development. He has an open door, because Deputy Trott has mentioned in a previous statement that he seems to be keen to look at it.

**The Bailiff:** Deputy Leadbeater.

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

Can the President tell me what his Committee's thoughts are on the opportunities there are for sports tourism, bearing in mind off the back of the really successful Island Games that was not too long ago? We excel in sport in Guernsey and sports tourism is becoming very popular throughout western Europe, so I just want to know what his Committee's thoughts and the opportunities that may lie there for Guernsey?

**The Bailiff:** Deputy Inder.

**Deputy Inder:** A huge fan of sports, as you can see by my physique! He is entirely correct but again we are suffering from the problems that we are kind of under the cosh as Committees, scraping around for the last bean because we are getting told doom and gloom, we have not got any money. The reason we are getting told we have not got any money is because, guess what, we have not got any money! It is the entire reason for it.

Our Committee has made a pitch to Policy & Resources to uplift the current budget of £1.6 million. If I had, I would not say all of the money in the world, but some of the money in the world, I genuinely believe the tourism budget should be double. It really should. Because we focus on that core churn of people, trying to get them into the hotels, there is not a lot of capacity for us to look at the things which, I am not going to use the word marginal, but are a little bit more sectorised.

I entirely agree with him. It has made mention in TMB's marketing reports but I am not entirely clear that we have invested enough money in our marketing budget to allow us to do everything that we want. I hope that answers the question properly. If he wants to pick it up later on, by email, I will do some digging around and find out exactly where we are with it.

**The Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** Sir, Deputy Murray said to me when I said I was not going to speak during this States' debate, it would not last very long. But in relation to a question put to Deputy Inder, I thought his answer to Deputy Blin was dismissive. Because if Deputy Inder does not realise that there are substantial problems with businesses and individuals opening bank accounts in Guernsey because our finance sector banks are controlled from elsewhere, then he is being naïve.

Could he not commission a meeting, arrange a meeting with senior representatives from those who can speak for these banks to meet with local representatives to talk through the accounting issues because if he needs evidence to support an accounting issue, that there is a problem of opening accounts, then he is being naïve?

**The Bailiff:** Deputy Inder.

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

I am not being naïve because we have been through a banking review, which I spoke about in our Statement and made reference to. So that consultation has already happened to a large extent. The point I was making to Deputy Blin – and if Deputy Ferbrache thinks I was being dismissive I genuinely was not and I will apologise to Deputy Blin – the point I was making was if there is further evidence please just talk to us directly. If he can, give us that information, write me an email, and I will pass it on to our directors. But doing it in the Chamber or in a place where you may have met

935 over coffee, it does not help me. I am asking if there is extra evidence to be presented and I hope that answers the question.

**The Bailiff:** I am going to extend the questioning of the President on the basis that, as far as I can see, the Meeting is not going to stretch into Friday.  
940 Deputy Taylor.

**Deputy Taylor:** Thank you, sir.  
According to the Blue Book, Economic Development's purpose is to secure prosperity through the generation of wealth and the creation of the greatest number and widest range of employment  
945 opportunities possible by promoting and developing business, commerce and industry in all sectors of the economy.

Irrespective of tenant, the single most significant constraint on the delivery of new homes is the capacity within the construction industry; an industry which has contracted over the last decade. Given Economic Development think that real progress is 'critical' for the economy, what are they  
950 doing to create employment opportunities and develop businesses in the construction industry?  
Thank you.

**The Bailiff:** Deputy Inder.

955 **Deputy Inder:** To answer the first part of the question, which gives me the chance to think about the second part of the question, in terms of developing the economy, you all know that we are fully supportive of the Guernsey Development Agency, which has certain industries we should be developing in there, and also the expansion of the Marina. So that creates new jobs.

It is true that there is obviously a dearth of talent, for want of a better word, or capacity to build  
960 properties, build developments in the Island. But I actually have not seen anyone who has come to me and said, we have got this massive property here, this massive area to develop, with the exception of the capital projects done by the Island, I have not seen anyone say, 'Look, this is a piece of land that we would really like to build on and the reason we have not built it is because we cannot get 300 or 400 people.' I have not seen that.

965 I would be a bit careful assuming that it is always about capacity. I heard in the paper the other day that one of the developers said we need to use all the green fields in Guernsey because all the green houses are dirty. Be a bit careful. Just because someone says something, it is not necessarily correct.

To answer his question there is –

970 **The Bailiff:** The time for answering is up, Deputy Inder.

**Deputy Inder:** Ah, sorry. I beg your pardon.

975 **The Bailiff:** Deputy Cameron.

**Deputy Cameron:** Thank you, sir.  
With the recent change in tenants at the Fermain Beach Kiosk and rumours of a potential three-storey development on the site, could Deputy Inder clarify whether Economic Development are  
980 collaborating with the States' Property Unit on plans to tastefully develop our numerous beach kiosks around the Island, so ensuring they remain able to continue trading during the shoulder months?

Thank you, sir.

985 **The Bailiff:** Deputy Inder.



**Deputy Inder:** This I will defer entirely to Policy & Resources. The kiosks generally, where they are not in private ownership, are all owned by the States of Guernsey, which comes under the SPU so I genuinely cannot answer his question but what I can assure him is that I am not collaborating with anyone. I would be very surprised, given the visual look of that valley, as iconic, whether anyone is going to put anything, is going to stick a three-storey building on the right hand side. Even myself, I would put in an objection to that. I do not think it is going to happen. It is too iconic. But that is just a personal opinion.

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Thank you, sir.

In his Statement, Deputy Inder referred to some review around the transport licensing policy. Can he advise whether that work will return to the States and, if so, on what sort of timeframe?

**The Bailiff:** Deputy Inder.

**Deputy Inder:** There are two parts to it. There is the air policy framework and the air transport licensing, the ATL looks after that, which are protected, and their policy framework gives a general view of what we are supposed to do and who can travel. My intention, Deputy St Pier, through you sir to Deputy St Pier, is absolutely to bring this back to the Assembly.

My ideal situation is that we are going to meet Aurigny in October and I genuinely hope that they come to a plan for delivery, because we are at the point where we may have to do things on the floor of this Assembly and that is potentially the worst scenario when we start playing Airport bingo.

**The Bailiff:** Deputy Oliver.

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

I am really pleased to hear that we are going to become one of the most connected Islands, hopefully, if everything goes to plan. But when putting down the fibre, and there is a number of telephone poles everywhere, and they just do not look attractive, are there plans to actually put the telephone lines with the fibre to eliminate that issue?

**The Bailiff:** Deputy Inder.

**Deputy Inder:** I have got one of those telephone poles and all they do is take the copper down from the wire to the house and replace it with digital. To answer Deputy Oliver's question directly, unless – and it is entirely up to Sure to do that – right now it does not look like the telephone poles are coming down because I have one replaced by copper over the top and digital replaced.

**The Bailiff:** Deputy Gabriel.

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

I would like to ask Deputy Inder a question around sea fisheries as part of his mandate. My end game, really, is to ask him about what is happening with the *Leopardess* but I understand he has shifted that out of his mandate into Home. So my question really will be has he confidence that he will be able to provide sea fisheries cover in the New Year, when the *Leopardess* is expected back in service, even though it is still sitting at M&G's Yard with no progress?

**The Bailiff:** Deputy Inder.

1040 **Deputy Inder:** Yes I am. It is important that we have got cover while that vessel is back in, I think it is, Holland going through a refit. I think it is right to just remind Members that as a Committee we did not believe that it was right that we should be worrying about what the vessel does, what is in the sea is more important to us, so we have handed that to Home. You are right, she is sitting up on Marine & General. I thought she was heading to Holland this year but it is not in my mandate any more. What is important is I can assure Members that we do have cover, where necessary we can rent private vessels to do enforcement work.

1045 **The Bailiff:** Deputy Le Tocq, do you want to ask a question?

**Deputy Le Tocq:** To you, sir. May I be relevé please?

1050 **The Bailiff:** I was going to relevé you at the end of questioning but we will relevé you now, but if you wanted to ask a question now, of course, you are entitled to.  
Deputy Gollop.

1055 **Deputy Gollop:** The Deputy has a good Committee of people interested in construction, housing forums, new ways of addressing housing, but my question is, is the Committee as a whole working not just to improve the capacity of housing, as Deputy Taylor asked, but the delivery of housing through lower costs?

How can we reduce the cost of building housing, whether social or aspirational, and do we not need a separate work stream to find out ways that we can reduce the cost of construction on-Island?

1060 **The Bailiff:** Deputy Inder.

1065 **Deputy Inder:** It is sort of connected, I think, to Deputy St Pier's question that the Committee will be looking into a number of market reviews, which could include freight services and construction costs. I think the last time we had this, it might have been Deputy Soulsby or Deputy St Pier, I cannot remember who, who mentioned the price of concrete. That was quite a factor and that has been bubbling along for quite a long time.

1070 I do not think it is unreasonable. Statements become fact in Guernsey. Everything in Guernsey is 30% more than everything else and once you say it three times it becomes the truth and we end up repeating it, but no one ever goes back and checks. I would like to know. So maybe we do need a review on freight, maybe we do need a review on the construction industry, so let us go and find the facts.

1075 What I will do, because there are two questions that have bubbled up, one from Deputy Taylor and one from yourself, we do have a Construction Forum, Deputy Vermeulen cannot get up in the middle of question and answers – no, you cannot get up, not that I would be ordering around him, sir, through you! Deputy Vermeulen, you might be able to ask a question.

What I will do is, I think, after this, we will tidy up and just do a general overview of where we are on the housing forums and construction industry and get a general view from Deputy Vermeulen with the Construction Forum.

1080 **The Bailiff:** Deputy Prow.

1085 **Deputy Prow:** I thank Deputy Inder for his Statement. Does the President agree with me that the vessel *Leopardess*, the funding for its refit has been secured from seized assets and that the situation is that we are waiting for agreement with the shipyard to complete that work and that these matters are in the hands of Policy & Resources procurement team and their legal advice?

Thank you, sir.

**The Bailiff:** Deputy Inder.

1090 **Deputy Inder:** Do I agree with Deputy Prow on something I was not aware of? Of course I do.  
(*Laughter*)

**The Bailiff:** Deputy St Pier.

1095 **Deputy St Pier:** Sir, will Deputy Inder agree that he is probably the one individual in the States who recites facts three times more than any other Member of the Assembly and therefore establishes them as facts?

1100 **The Bailiff:** I am not entirely sure that is a question within the mandate of this particular Committee but Deputy Inder, if you want to respond then I will let you and then we will move onto the next Statement.

1105 **Deputy Inder:** He is actually spot on but what he forgets is that I remember him over getting rid of the 11-plus, equality, inclusion and all the other words he added in. I remember because if you keep repeating the same nonsense three or four times it does stick.

**The Bailiff:** Members of the States, we will now relieve Deputy Inder from answering questions and to turn to the final of the Statements, which is on behalf of the Overseas Aid & Development Commission.

**General update –  
Statement by the President of the Overseas Aid & Development Commission**

1110 **The Bailiff:** I will invite the President, Deputy Blin, to deliver that Statement first, please.

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

1115 As Members know, I often take this opportunity to provide some context for the work of the Commission. I usually refer to facts and statistics which highlight that millions of people in developing countries do not just face financial hardship, but also appalling suffering on a daily basis. On this occasion I do not feel the need to do so, as the serious challenges facing people living in the developing world are tragically obvious for anyone who takes an interest in current international news. This is particularly so for those 49 countries in the lowest quartile of the United Nations Human Development Index, on which the Commission focuses its limited resources to assist the poorest of the poor.

1120 Instead, I wish to give the positive message that Guernsey, through the Commission's work, is doing its part to help alleviate suffering in the developing world. Also, by making a worthwhile contribution, Guernsey is fulfilling its moral obligation and international responsibilities as an independent and mature jurisdiction.

In regard to immediate aid, and through its Disaster and Emergency Relief programme, the Commission has so far in 2024 donated £60,000 each to the UK for UNHCR and Samaritan's Purse to provide life-saving assistance to internally displaced people affected by famine and conflict in Sudan.

1130 Sudan is currently the world's largest humanitarian crisis with 10 million displaced people. On 1st August, famine was declared in North Darfur. Across Sudan, eight million people are acutely hungry, including 3.6 million children. The funds donated are providing food, shelter and equipment to those desperately in need. As a small jurisdiction, the contribution that can be made by Guernsey is limited but our help is saving lives.

1135 Other emergency awards in 2024 include support for refugees in the Democratic Republic of Congo, food assistance following mass crop failure in Malawi due to drought and then flooding, and then help for the victims of recent floods in Bangladesh.

Sir, this year the Commission has placed more emphasis on engaging with the public. This is to demonstrate how Guernsey's support can make a significant difference to the lives of individuals on the ground, with comparatively small sums of money. In this vein, I wish to provide examples of our single and multi-year sustainable project work.

1145 Single-year projects are at the heart of the Commission's programmes. In 2024, this included a project with the charity Practical Tools Initiative to install a peanut and sesame mill to combat malnutrition in Sierra Leone with a grant of £50,000. This initiative will support 2,000 community farmers and their families to grow, process and supply locally produced peanut butter, sesame paste and other nutritious food. The charity states it will be a 'game changer' in the fight against severe food deprivation in the area, with UNICEF reporting that 33% of under-fives in Sierra Leone have stunted growth.

1150 The Commission always looks to fund sustainable projects and this one is no different. Funds for the operation of the mill will come from the sale of products to government feeding programmes for malnourished children and lactating mothers, and to the public. Overall, the project will improve food security, assist with community cohesion including those with disabilities, improve health for children and mothers, provide a sustainable income for growers, and promote peace and economic change through self-reliance. This single-year project is just one of the 56 being funded in 19 countries in 2024.

1155 Since 2022, the Commission has also funded six to eight multi-year projects each year, which are undertaken over a three-year period. It has previously been shown that projects over a longer period can often have a greater sustainable impact on the future of developing communities. These awards favour the themes of 'reaching the furthest first' or 'mitigating the impact of climate change'. The former means that the majority of beneficiaries of the projects are from marginalised groups. The latter relates to protecting agricultural land from desertification, land irrigation, and the use of solar energy.

1160 An example of an ongoing 2022 multi-year project is the adolescents-led Resilient Livelihoods for Terai Dalit farmers in Nepal, being undertaken by the International Nepal Fellowship UK. This grant is for £150,000. The Dalit ethnic group are often landless and suffer exclusion from education and employment due to their lower caste status.

1170 Year one of the project has allowed 191 adolescent girls, including disabled participants, to become change makers by establishing groups to receive training on literacy, numeracy, climate change and income-generating skills. These change makers then supported community health initiatives for 522 households, or 2,800 people, including building communal toilets, installing boreholes, supplying improved cooking stoves and water filters, and hygiene training.

1175 Year two saw the 522 families formed into farmers' groups to provide sustainable living, lease land for farming, and undertake agricultural training including sustainable soil management. Two solar irrigation systems were also installed. Year three will look to replicate the Resilient Livelihoods scheme through policy formation at local government level.

Rina is just one of the female participants and works as a change maker by imparting guidance to a group of adolescents. She is physically disabled and as such was treated poorly, both in her household and by society. She said:

Although I am physically disabled, I am very happy that I got the opportunity to learn skills and earn income, and those who looked at me badly are now behaving well. This course has helped me build my future. Now, I wish to enter the civil service to serve society.

1180 Sir, in this Statement I have focused on the Commission's project work, but other workstreams continue. The Commission's Community Partnerships have included matched funding initiatives with Guernsey Aid for maternity equipment in Malawi, the World Aid Walk, and projects with the French Department of *Ille-et-Vilaine*.

The Guernsey International Development Network has also been revitalised this year with a meeting between the Association of Guernsey Charities, Guernsey based international development charities, and Commission representatives to discuss matters of mutual interest. Under the Network, the Commission has also organised two public events. In March, British Red Cross 'Past & Present' celebrated the Charity's long-standing relationship with Guernsey. There were talks and displays on the relief provided during the Occupation and the modern work of the Red Cross. It was a sell out!

At the same time a senior delegation from the British Red Cross visited the Island and were kindly hosted by His Excellency the Lieutenant Governor. Over the Summer, the Commission partnered with Art for Guernsey to provide a six-week exhibition on the impact of the Commission's work in Madagascar. It included a display of Malagasy marquetry and needlework alongside information on Commission-funded education projects. As well as the general public, a number of school groups visited the exhibition and undertook activities.

There were also linked public events when the Charities SEED Madagascar and Feedback Madagascar gave presentations on their work, which I know a number of States' Members kindly attended. These events were supported by Fairtrade Guernsey which provided refreshments.

The Commission supports Fairtrade in the Island. Guernsey as a whole was reaccredited as a Fairtrade Island in December 2023 for another three years due to the excellent work of the Guernsey Fairtrade Steering Group volunteers. In 2024 the Fairtrade Mark is also celebrating its 30th Anniversary. As you know, the mark certifies that products have been produced in conditions which meet certain ethical and environmental standards. I am therefore delighted to report that in a joint initiative between the Steering Group, the Committee for Health & Social Care and the Commission, the Princess Elizabeth Hospital has switched to a supply of Fairtrade tea, coffee and bananas which will result in an annual increase of over 180,000 servings of Fairtrade products.

In particular, the Committee established that there has been a significant reduction in the pricing of Fairtrade products, which has resulted in pricing alignment between Fairtrade and non-Fairtrade products, so there will be no additional cost to its budget. To celebrate this and the recent Fairtrade Fortnight, Fairtrade refreshments will be available to States' Members during the lunchtime recess in the Grand Hall when there will also be an opportunity to sign the Fairtrade 'Be the Change' Pledge.

Sir, during the remainder of 2024 and into 2025 the Commission will continue with its core grant work, introduce updated operational policies, bring into service new grants management software, organise further events to engage the public, and commence work on a Skills Strategy, which will look to use Guernsey's particular expertise to benefit international development charities. It has been and will continue to be a busy year for the six volunteer Commissioners and for that I sincerely thank them for their good work.

**The Bailiff:** Well, Members of the States, there is an opportunity now to ask questions on any matter falling within the mandate of the Commission.

Deputy de Lisle.

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

I would like to ask Deputy Blin to what extent are Guernsey businesses participating directly in overseas development projects in order to provide direct benefit to the growth of economic development locally?

**The Bailiff:** Deputy Blin.

**Deputy Blin:** I thank Deputy de Lisle for his question. First of all it is Guernsey as a whole with its moral obligation in international undertakings to help and develop other countries, maintaining the same principles we have on sustainability and development. Secondly, I would also add that there are a number of volunteers who work in Guernsey, with their businesses, helping countries outset as part of what they want to add to their CRS or approach. Also there are some volunteers

1235 from here who use the skills they have built up in business here to help internationally to offer their resources abroad too.

**The Bailiff:** Deputy Gabriel.

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

I saw a media report earlier, a couple of weeks ago, that Jersey are offering work parties for CSR trips to help on projects and I do not recall Deputy Blin reporting in this report and previous that that has happened with the Guernsey OADC. I do recall two under-18s travelling to Senegal in 2022 and also we know that Deputy Blin funded himself to Kenya to oversee a project. My question is, what opportunities are available for Guernsey people that have skill and labour facilities, rather than cash, to help out the OADC abroad?

**The Bailiff:** Deputy Blin.

1250 **Deputy Blin:** Thank you, sir.

I thank Deputy Gabriel for that question. In fact, he was kind enough to share some of it before because I wanted to get some further information. Jersey Overseas Aid did do that. There were conversations between the officers of Overseas Aid Guernsey and Jersey. It was oversubscribed in Jersey so there were no spaces for selected people from Guernsey. But Deputy Gabriel is correct that our relationship with *Ille-et-Vilaine*, two youngsters from Guernsey were sent to Senegal, self-funded and, as he correctly said, yes, I was part of a self-funded group as well into Kenya.

There is a change in the overseas aid model, to a certain extent, where in the past it was very well known through various organisations to travel overseas to go and work and build houses and hospitals, etc. But over the years, there is an approach that there is more work within the labour of each country where they can do it and otherwise it is a skill to be had in other areas and helps as much.

The last point I would like to add for Deputy Gabriel on this is the Commission is currently investigating proposed skill partnerships for a small number of people with specific Guernsey centric skills, from accountancy, governance and audit, to volunteer for work with charities, often in countries using their expertise.

Thank you.

**The Bailiff:** Deputy Le Tocq.

1270 **Deputy Le Tocq:** Thank you, sir.

This is a follow-on question, really, from Deputy de Lisle's. Would the President of the Commission agree with me that in terms of our international reputation, particularly where we are looking for increase in free trade deals and understanding of Guernsey's offer to the world, that despite the fact that our contribution is small, it is respected and, as a result, enables doors to be opened?

**The Bailiff:** Deputy Blin.

**Deputy Blin:** Thank you.

1280 I thank Deputy Le Tocq for that. That actually is the larger picture of the question from Deputy de Lisle, which was about the businesses. We know predominantly our Island is within the financial services sector and the representation it makes, so I agree 100% with Deputy Le Tocq.

**The Bailiff:** Deputy Dyke.

1285 **Deputy Dyke:** Thank you, sir.

I thank Deputy Blin for his presentation and for all the detailed work he does on his Committee in choosing projects carefully, visiting them and indeed at his own expense. He is very commendable in that. Could I ask one question, namely, are we now moving away from funding the highly politicised charities, such as Oxfam, Christian Aid, Action Aid, that actively campaign against the existence of finance sectors? Have we moved on from that to better charitable arrangements?

Thank you.

**The Bailiff:** Deputy Blin.

**Deputy Blin:** I thank Deputy Dyke for his commendation for the Commission and for his question. The main thing to respond to that would be that the Commission itself is an apolitical group. Its focus is helping across the world to the furthest, reaching the poorest. Through that, as part of the policy, we have to work within registered charities globally and for things like emergency and disaster, through the DEC, there are specific charities we have to work through.

I would like to specifically point to the comments he has made. That has been raised in the past, through some articles, which were seemingly negative about the Channel Islands and its status. So that is not the predominant way but I think if Deputy Dyke would look back historically, at least at the last two years, there have not been many of those organisations who have been funded from the Overseas Aid & Development Commission in the category he was referring to.

**The Bailiff:** Deputy Soulsby.

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

Just a follow up on Deputy Dyke's question. Would Deputy Blin agree with me that one difference between other countries and how Guernsey approaches overseas aid is very much looking at and focusing on specific projects to know where the money is going? The vast majority of the funding that the Overseas Aid Commission gives out, we actually see the direct results in terms of developments, improving communities that we see and you report back in your annual report?

**The Bailiff:** Deputy Blin.

**Deputy Blin:** I would like to thank Deputy Soulsby for that and that is exactly the approach and I am sure, if any Commissioners are listening, they would be recognisant of the fact that they are seen in the way that they work. The reporting back is important and every time, it is important that we also fulfil some of the other commitments of Guernsey, including looking at targets of carbon, of sustainability, of anything which grows there, so it reflects well on the Island as well as on the countries and communities we assist.

**The Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** Would Deputy Blin support an initiative whereby, because I am sure he is aware that States' Members if they travel beyond a certain timeframe, are entitled to travelling in premier, economy, or business class, that that is immediately foregone and that those funds are directed towards his Commission?

**The Bailiff:** Deputy Blin.

**Deputy Blin:** Yes, I would respond.

**The Bailiff:** Deputy Gollop.

1340 **Deputy Gollop:** I recall Fairtrade as being part of our landscape for 20 years and the late, great  
Conseiller Mike Torode, actually, was somebody who pushed for Fairtrade. But will the Overseas Aid  
Commission not only provide the bananas at the Fairtrade, but consider providing more public  
events as identified, including presentation of the annual reports, all the charities we support,  
because I thought the art exhibition was extremely good, on Madagascar, but it coincided with the  
art gallery's Africa exhibition as well. So can we have more public presentations, there is one at Beau  
1345 Séjour, I saw, with the pictures, that actually tell the Island and the Island's charities what the  
Overseas Aid Commission can do and operate in partnership with groups like Leprosy, too?

**The Bailiff:** Deputy Blin.

1350 **Deputy Blin:** Thank you, sir.  
I thank Deputy Gollop for his question. As President of the Overseas Aid & Development  
Commission I also sit on the steering committee of Fairtrade. So that is exactly why there was the  
celebration of African community and the Overseas Aid Madagascar with Fairtrade. Last week there  
was in fact a brilliant event, a Fairtrade wine tasting at the OGH was attended by a number of  
1355 Deputies.

It was not only impressive to see that there remarkable Malbecs and flavours of wine and  
everything displayed and talked about, but also it was amazing to see how each one created was  
helping build a hospital, a medical centre. It was a really remarkable exercise. The work a steering  
committee will do with OADC will continue and yes, not only will we be, on behalf of the Overseas  
1360 Aid & Development Commission, promoting further events, but also alongside with Fairtrade.

Thank you.

**The Bailiff:** Deputy Inder.

1365 **Deputy Inder:** Thank you for the President's update. It just strikes me sometimes there is a lot  
of benefit for people who do not normally work in the charity sector of working in the charity sector.  
I find it quite grounding, having done that for a couple of years some moons ago. It gives you a  
slightly different perspective. I just wondered, and I know we are not far from an election but would  
there be any value, if indeed he already does, in inviting more of the Deputies to sit in the meetings  
1370 in a more open forum, just to listen to the detailed work that he does and for the benefit of those  
who may attend?

**The Bailiff:** Deputy Blin.

1375 **Deputy Blin:** I thank Deputy Inder for that. I will break it into two parts.  
As he says, the input from working in charitable groups is remarkable. I can personally say from  
my visit with the Commissioner to Kenya and seeing projects on the ground and how they  
developed, you just cannot get a better feeling than seeing the impact there. Therefore, leading on  
with other Members joining, that has been done in the past where Members have sat in on meetings  
1380 with the Overseas Aid & Development Commission. There are two parts, there are also meetings  
for specifically selected projects, which is quite a specific period. I will take that to the Commission  
and see if there is any way we can invite. When we do organise events we always do invite but it is  
not quite the same thing so I will take that message back.

Thank you.

1385 **The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Sir, following on from Deputy Dyke and Deputy Soulsby's question, will the  
President perhaps undertake to circulate to Members a copy of the extant policy guidance from  
1390 Policy & Resources to the Commission? From memory, that is the framework in which the



Commission operate and make decisions, and it certainly did at one point contain guidance that made reference to whether partner organisations could cause embarrassment to the Bailiwick if they were to receive funds from the Commission and whether that is still extant policy? Would he undertake to circulate that policy, please?

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**The Bailiff:** Deputy Blin.

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**Deputy Blin:** Yes, I thank Deputy St Pier for his question. I will make a note to share the framework guidance. As you are aware in the rules for charity laws, a lot has been tightened up recently, in view of some incidents. There is a constant work on the due diligence side, the governance side with all the charities, as we go along, so there is a constant review of that but I will look to get the guidance shared with Deputy St Pier and continuing other questions he has on this.

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**The Bailiff:** Deputy St Pier.

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**Deputy St Pier:** Sir, Deputy Blin in his Statement made reference to the terrible conflict in the Sudan, which has the title of being the world's worst present conflict, overtaking its predecessor, which I think was Yemen. Is he able to advise us, either now or in due course, what support the Commission has made to both Sudan and Yemen, what commitments have been made to support those affected by those terrible conflicts? Any commitments that have been made in the last 12 months or so.

**The Bailiff:** Deputy Blin.

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**Deputy Blin:** I thank Deputy St Pier for the question on that. Ironically, it is one which is currently in our inboxes as we speak. It is also one where we look at not only the projects but the projects are not suitable for the situation there due to the intensity and the urgency, so we work through the emergency appeals. We have at least two going through. We also have to take care, and this is amongst the Commissioners ... we have to be careful to find the acts of assisting in dire cases like the Sudan but also ensuring there is a balance to maintain through our budgeted year. I can, again, get an update specifically of the numbers, but we have two currently there and they will be approximating £60,000.

**The Bailiff:** As I do not see any other Member rising, we will move into Question Time proper.

1425

## Questions for Oral Answer

### DEVELOPMENT & PLANNING AUTHORITY

#### **Changes to Building Regulations – Improved communication with construction industry; use of ecological carbon-friendly options – Question commenced**

**The Bailiff:** Deputy Gollop has two questions to put to the President of the Development & Planning Authority. Your first question, please, Deputy Gollop.

1430 **Deputy Gollop:** I thank Deputy Oliver and her officers and the DPA for providing me very early with answers but unfortunately I should have put in supplementaries, and I did not. That was an omission on my part but I will ask simple questions, hopefully, because I think it is an area that is very technical.

1435 My question is whilst many of us would applaud the new Building Control rules regarding timber frames being covered in brick work as the right reaction at the right time – as a leading architect said – to protect the public and enhance safety, will the DPA when issuing revised guidance etc, improve communications, consultation and training to the construction industry including architects and building suppliers?

1440 **The Bailiff:** And the President, Deputy Oliver, to reply, please.

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

1445 The recent change in position of building control in relation to the timber framed buildings is as a result of two consequences, following the tragic events surrounding Grenfell disaster. Firstly, in answer to the UK government's reaction in the initial findings of the Grenfell Inquiry, last year Guernsey followed suit in making changes to approve the guidance relating to fire safety. This was an action when the rule was changed. The DPA issued new technical standards in the normal way, with the usual consultation process and a transitional period.

1450 Secondly, the first report of the inquiry again brought into sharp focus the importance of product testing and certification. Many of the claims made in the product literature with respect to fire resistance could not be guaranteed and the emphasis has now centred on the Building Control bodies being able to verify these claims scientifically.

1455 Following the extensive research we simply could not find products that were fully certified and it was decided to seek assistance of the industry, i.e. architects and designers. In the meantime, it was decided that under certain circumstances, we needed to make decisions to require a masonry outer skin where the fire resistance was a requirement.

Due to an –

1460 **The Bailiff:** Deputy Oliver, I am afraid that your time for answering has expired.

**Deputy Oliver:** Sorry. I did get told to speak quickly and I am not very good at that!

**The Bailiff:** Deputy Gollop, do you have any supplementary questions to ask?

1465 **Deputy Gollop:** I note that you answered me that you need to communicate with multiple channels, I was really only aware of maybe a perceptual issue here when a media feature suggested that a leading building materials firm was unaware. So my question is, given the good work the DPA

does and the necessary work, will they intensify their communications to all parts of the construction sector and the wider public as well, so that everybody knows what is rightly expected of them?

1470

**The Bailiff:** Deputy Oliver.

**Deputy Oliver:** It is a shame I could not finish this because it kind of talks about what Deputy Gollop was saying. We always look to communicate in appropriate ways, using multiple channels and this instance we faced, it was very specialised and therefore targeted a specific group who were considered to be placed best to assist us. This strategy appears to have been the correct one because we have had so many responses from our thing that we have really been able to give quick, formal advice to approve some of the alternatives that are actually better and they have been fully tested.

1480

**The Bailiff:** Second supplementary, Deputy Gollop?

**Deputy Gollop:** Perhaps this is a question I cannot really ask but I am certainly not asking any of this on behalf of P&R or any Committee. But I know there is a view on the Island that Guernsey's new building regulations are more onerous than the UK, although they do not ... Can you clarify that perspective?

1485

**The Bailiff:** Deputy Oliver.

1490

**Deputy Oliver:** Given that we are a small jurisdiction, there are some things that we might be slightly ahead in but it is coming in through the UK and it will be there very shortly. But generally we are at the same level.

**The Bailiff:** Supplementary, Deputy Le Tissier.

1495

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

Would the President agree with me that it is slightly incongruous to equate that awful Grenfell Tower ... which was a tower and had inflammable padding, with wood framed houses in Guernsey that maybe have just got two floors? They seem completely different. Could the President comment on that?

1500

Thank you.

**The Bailiff:** Deputy Oliver.

1505

**Deputy Oliver:** I think if you actually have seen how quickly a fire can spread, you might have different views, even on only a two-storey building, because if you were in that two-storey building and it does not give you time to get out of it, then you might be coming to DPA saying why haven't you changed the Law, this is just not satisfactory?

We are always looking for the safety of people and making sure buildings are appropriate and also we work with Home Affairs, with the Fire as well, so it is not just us acting alone.

1510

**The Bailiff:** Deputy Dyke, supplementary.

**Deputy Dyke:** Thank you.

1515

Given Deputy Oliver's lack of time to give the explanations she wanted to give, would she like me to give Deputy Gollop a copy of Building Control guidance note 24, which explains it all?

**The Bailiff:** Deputy Oliver.

1520 **Deputy Oliver:** Yes, you can if you want.

**The Bailiff:** Shall we take your second question as well, then, Deputy Gollop, please?

1525 **Deputy Taylor:** Sorry, sir, could I ask a supplementary?

**The Bailiff:** I did not see you rising, Deputy Taylor.  
Supplementary, Deputy Taylor.

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

1530 The Grenfell Tower Inquiry found that those who had manufactured and sold the cladding products, which caused the fire, had engaged in deliberate and sustained strategies to manipulate the testing processes. A recent *Bailiwick Express* article contained claims that completed residential blocks had been burned down to achieve fire safety performance certification. Now Deputy Oliver stated that additional emphasis will be placed on Building Control to verify claims scientifically, so I  
1535 just want to know what changes have the DPA made to ensure its officers are correctly equipped to verify claims such as this?

Thank you.

**The Bailiff:** Deputy Oliver.

1540 **Deputy Oliver:** Deputy Taylor is right. Some of the manufacturers were less than truthful coming forward and they said they had tested, when they had not. So what we have said – and it is not just on timber – is that any product that the Building Control comes forward and that is new, we will make sure that the testing is done correctly. So we are not just picking on timber frame or anything.  
1545 He had two questions, I can only remember the first one.

**The Bailiff:** I do not see any other Member rising to ask a supplementary question arising out of the first answer. Deputy Gollop, as the time has ticked on now, we will save your second question to the President until 2.30 and we will adjourn until 2.30.

*The Assembly adjourned at 12.30 p.m.  
and resumed its sitting at 2.31 p.m.*

1550

**DEVELOPMENT & PLANNING AUTHORITY**

**Changes to Building Regulations –  
Improved communication with construction industry;  
use of ecological carbon-friendly options –  
Question completed**

**The Bailiff:** Deputy Gollop, your second question to the President, please.

1555 **Deputy Gollop:** Thank you very much, Mr Presiding Officer. I hope I am a little better prepared.  
Number two: bearing in mind these new regulations will reduce options, increase costs and take longer for the construction sector, will the DPA consider and promise taking account of further developments, technologies and mitigations, including European countries, to ensure we follow best practice and facilitate new, ecological carbon-friendly ideas and modular creations?

1560

**The Bailiff:** And the President, Deputy Oliver, to reply please.

**Deputy Oliver:** It is inevitable that the options have been reduced when timber frame building is required to be provided with a period of fire resistance. Just to be clear, most timber frame projects are single storey extensions, located more than a metre off any property boundary and are therefore not affected by this.

1565

Manufacturers face more stringent testing criteria, and this is taking time to be processed and some of the heavy have simply left the marketplace. However, we have now got a list, limited though it may be: some of the products and systems that offer alternative to the masonry outer skin that will be suitable for the use with modern methods of construction.

1570

Therefore, we do not believe that the cost will increase. Even though the choice is less it can be expected that the building suppliers will stock the approved products, ensuring the availability on Island, preventing any delay in the construction process. In time we are confident that the marketplace for the products choice will evolve as manufacturers adapt to meet the new requirements, not only from the UK but other European countries.

1575

The measures that we now have in place, because of the work recently undertaken, have given Building Control the ability to review any such new products, would be available to swiftly add it to the approved product list; and, going forward, we will be contacting the media to issue more guidance and updates to the public and all interested parties within the construction industry.

1580

**The Bailiff:** Supplementary, Deputy Gollop.

**Deputy Gollop:** Thanking Deputy Oliver for a full answer.

1585 My first question is, one is reassured that they will be contacting the media, DPA, to issue more guidance and updates but will it be possible for the DPA to look further into some European countries in northern and eastern and Central Europe, whereby there is a long tradition of building safe, one hopes, timber-framed single storey or two storey properties and modular construction, which may well be a useful financial and viable option for the Guernsey building sector?

1590

**The Bailiff:** Deputy Oliver to reply.

**Deputy Oliver:** I think there was a question in there somewhere.

1595 We currently have three products on that list and if the test certificate has been done, it can be added to the list within a week. In regard to the media, if Deputies really want a technical answer to all these questions, we can put on a presentation. I cannot imagine that many of you are going to come, if I am truly honest, when we have just had at lunchtime and there were very few people for

quite a big thing happening in the States. So when something is as technical as this, I do not see it being popular but if the States want it, we can put it on.

1600       **The Bailiff:** Second supplementary, Deputy Gollop.

1605       **Deputy Gollop:** I think we would welcome a presentation on the housing element. My second question is one is grateful that the reply is more full than what was in one of the media and suggests that we have a list that offers an alternative to the masonry outer skin. Will DPA be able to convey to the community at large what these alternatives are that enable safe, timber frame construction that do not necessarily require traditional bricks or stone masonry?

**The Bailiff:** Deputy Oliver to reply.

1610       **Deputy Oliver:** I am just quickly looking up.  
It is in the building guidance note; it is in there, so all people have to do is go onto the website and they can see what they are allowed to do and what they are not allowed to do.

**The Bailiff:** Deputy Taylor.

1615       **Deputy Taylor:** Thank you, sir.  
I am just wondering, for Members' benefit, if Deputy Oliver would agree with me that the principal change is only in relation to partition walls that are within one metre of a boundary, or over two storeys high? So for the vast majority of applications that would have been coming  
1620       historically or come in the future, this will not have actually changed anything. I wondered if Deputy Oliver would agree with me that might put Deputy Gollop's mind at rest?

**The Bailiff:** Deputy Oliver.

1625       **Deputy Oliver:** Yes, I said it in my answer, so that is correct.

**The Bailiff:** As I do not see any other Member rising to pose a supplementary question, we will move away from Question Time, and I will ask the Greffier to read out the Legislation that is being laid before this Meeting.

1630

## Billet d'État XVI

### LEGISLATION LAID BEFORE THE STATES

**The Plant Health (Preserved Phytosanitary Conditions Regulation)  
(Amendment) (Guernsey) Regulations, 2024;  
The Plant Health (Amendment of Transitional Provision and  
Phytosanitary Conditions) (Guernsey) Regulations, 2024;  
The Social Insurance (Guernsey) Law (Amendment) Ordinance, 2024  
(Commencement) Regulations, 2024**

1635 **The Deputy Greffier:** The Plant Health (Preserved Phytosanitary Conditions Regulation) (Amendment) (Guernsey) Regulations, 2024; The Plant Health (Amendment of Transitional Provision and Phytosanitary Conditions) (Guernsey) Regulations, 2024; The Social Insurance (Guernsey) Law (Amendment) Ordinance, 2024 (Commencement) Regulations, 2024.

**The Bailiff:** Well, Members, we will simply note that all three of those Statutory Instruments have been laid before this Meeting. I have not received any motion to annul any of them, but that opportunity still arises next time.  
1640 First Item of Business, please, Greffier.

### LEGISLATION FOR APPROVAL

#### COMMITTEE FOR HOME AFFAIRS:

##### 1. The Electoral Roll Ordinance, 2024– Approved

*Article 1.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Electoral Roll Ordinance, 2024" and to direct that the same shall have effect as an Ordinance of the States.*

**The Deputy Greffier:** Article 1, Committee for Home affairs – The Electoral Roll Ordinance, 2024.

**The Bailiff:** Is there anything you wish to say, Deputy Prow, in relation to this?

1645 **Deputy Prow:** Yes please, sir, very briefly.

This Ordinance relates to the creation of the new Electoral Roll, following Resolutions agreed by the Assembly in March and May this year. As agreed with the Assembly, the General Election needs to be held on 18th June 2025. The Ordinance provides for the current Electoral Roll to cease to be valid from 11.59 p.m. on 30th November 2024. It also provides for an application form for inclusion on the new Electoral Roll to be distributed to each dwelling in the Island on or before 2nd December and for the new Roll to close on 30th April 2025, seven weeks before the General Election. I ask the Assembly to support these Propositions.

1655 **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** I do support the Propositions, but it has raised, perhaps, two questions or queries in my mind. Somebody in the business community wanted to know what was being done to encourage Generations X, Y and Z, the younger, to go on the Roll, and suggested that an electronic Roll, whereby people could input their data, like you do with tax returns, would be useful.

1660 I do not know. I do know that this would be more electronic in the way it is compiled but it is not entirely clear from the Law, when it goes to Clause 2, it says:

Pursuant to and in accordance with Article 34(1) of the Reform Law, on or before 2nd December 2024 the Registrar-General [of Elections] shall cause to be distributed to each dwelling in the Island such number of forms of application for inclusion on the new Electoral Roll as the Registrar-General may consider necessary for the number of voters living therein.

Well, I live in an apartment where there are potentially different households. That indicates that there will be a mass distribution of paper forms, which I hope will have the required effect that any and everyone who is eligible will take up the offer of applying, but it reinforces in legislation the paper option, whereas some greener people would say we should not have the paper. I would not go as far as that but there is not clarity about the electronic alternative.

1665 My other point is, bearing in mind I am now a Douzenier for St Peter Port and sit on the Douzaine Liaison Group, there is a question here that the Electoral Roll in existence at midnight, 11.59, on 30th November 2024, shall at that time cease to be valid and shall be replaced by a new Electoral Roll and that Roll will then be concluded, with no changes allowed – sometimes there have been errors that have been corrected but it makes it clear here no entries shall be made or amended during the period after 30th April, 2025.

That is a five-month period whence there might be some deferred parish elections or bye-elections in parishes, where there possibly is no Electoral Roll at all because the old Roll has ceased to exist on 30th November and the new Roll would not be completed until 30th April.

1675 I hope there are ways in which, if there was, a bye-election of a Constable, let us say in March or February 2025, that problem can be dealt with because it does seem rather a big period when potentially there is no extant Electoral Roll at all, or maybe I have misunderstood it.

1680 **The Bailiff:** Deputy de Sausmarez.

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

Yes, this system does always strike me as being rather labour intensive and flawed in a couple of respects. I will support it, obviously, but the point that I just wanted to make was about the closing date of 30th April, a good seven weeks before the date of the General Election, should the next Ordinance be approved.

1690 I can understand that from an administrative point of view, but I think from an elector's point of view, it is very frustrating. Deputy Gollop referenced just now about engaging younger people within the community and I think, actually, a lot of the time, we see this in elections around the world, even incredibly high-profile elections like the US election, that so many of the electorate just have not even engaged yet and that is a number of weeks away.

So I think there is a natural momentum building up towards the date of the actual General Election, where interest organically rises. I think it is a real shame to shut the Electoral Roll before that has really reached its peak.

1695 I understand the administrative convenience of shutting the Roll on 30th April, seven weeks ahead of time. But I do think, actually, as in other jurisdictions, in future elections our Electoral Roll should be open much later, even though, and accepting, that people who only submit their entries or put themselves on the Electoral Roll after a particular date are not necessarily going to receive all the communication.

1700 But I do think that is a worthwhile trade off to consider and I would recommend it to probably the successor Committee for Deputy Prow. But I will support this in the meantime.



**The Bailiff:** Deputy Matthews.

1705 **Deputy Matthews:** Thank you, sir.

I am sure, as Deputy de Sausmarez mentioned, an awful lot of people will ask the same sort of question I would ask of the President, why it is that we do remove and replace our Electoral Roll every cycle instead of just maintaining a continuous Roll? It seems like an archaic practice. And it is very poor for voter registration and seems to encourage an awful lot of unnecessary work, which should not really be necessary.

1710 We ought to be able to, in this day and age, just maintain a continuous Roll and, as well as the challenge to the democratic process, of having this procedure, where we remove a Roll and then reinstate one again, I am sure there are probably implications, we have spoken in earlier debate, about the difficulty of obtaining credit references and bank account references and I am sure that  
1715 there is potentially the issue where us not having a continuous Electoral Roll may play a part in that as well.

I would like to ask the President if any work is being undertaken, to look at switching ourselves to maintaining a continuous Electoral Roll in the future?

Thank you, sir.

1720

**The Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, yes, I just wish to stand to say I thought we had had this debate only a few weeks ago, so I do not know why we are going all over it again. I am quite happy to support the  
1725 legislation.

**The Bailiff:** As I do not see anyone else wishing to speak in debate, I will turn back to the President to reply to that short debate, please.

Deputy Prow.

1730

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

I will start with Deputy Soulsby. I completely agree with her comment. We have recently had a thorough debate where some of those points were raised. As far as the point that Deputy Gollop made, where he was referring to the parish elections, I am informed that has been catered for as far  
1735 as it possibly can within the Reform Law and so I have been given that assurance. I would be happy to take that up further with Deputy Gollop.

Deputy Gollop does raise one point which is worth me responding to. I think I need to make it clear that although application forms for the Electoral Roll will be sent to householders and will be available for various locations, the Committee would encourage people to register digitally for the  
1740 Electoral Roll, as this process is quick and straight forward and that is a point that the whole electoral team, also under the responsibility of the SACC officers. It is something that will be suggested.

As far as the electronic ability to have a continuous Electoral Roll, that will not be available for this Election and you have to close the Roll because the information on it is no longer current. So you have to close it and open it up and get people to register because you want as accurate an  
1745 Electoral Roll as possible and until the technology allows us to do that on a continual basis, that is not a viable option.

So I once again ask the Assembly to support the Ordinance, thank you, sir.

**The Bailiff:** Members of the States, there is a single Proposition for you to vote on and I will  
1750 invite the Greffier to open the voting, please.

*There was a recorded vote.*

*Carried – Pour 32, Contre 0, Ne vote pas 1, Did not vote 6, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Aldwell, Sue	None	Snowdon, Alexander	Brouard, Al	Dudley-Owen, Andrea
Blin, Chris			Helyar, Mark	
Burford, Yvonne			Le Tissier, Chris	
Bury, Tina			Le Tocq, Jonathan	
Cameron, Andy			Leadbeater, Marc	
De Lisle, David			Trott, Lyndon	
De Sausmarez, Lindsay				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Inder, Neil				
Kazantseva-Miller, Sasha				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Vermeulen, Simon				

1755     **The Bailiff:** In respect of the Proposition to approve the draft Ordinance, there voted in favour, 32 Members; no Member voted against; 1 Member abstained, 7 Members did not participate in the vote and therefore I will declare that Proposition duly carried.

## **STATES' ASSEMBLY & CONSTITUTION COMMITTEE**

### **2. The Elections Ordinance, 2024 – Approved**

*Article 2.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Elections Ordinance, 2024" and to direct that the same shall have effect as an Ordinance of the States.*

**The Deputy Bailiff:** Article 2, the States' Assembly & Constitution Committee – The Elections Ordinance, 2024.

1760     **The Bailiff:** And Deputy Meerveld, is there anything that you wish to say in respect of this matter?

**Deputy Meerveld:** Just that this is simply enacting things that this Assembly have already agreed and I hope Members will support it.

1765

Thank you, sir.

**The Bailiff:** As I do not see any Member rising, I will simply invite the Greffier to open the voting in respect of this draft Ordinance.

*There was a recorded vote.*

*Carried – Pour 32, Contre 0, Ne vote pas 2, 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>
Aldwell, Sue	None	Roberts, Steve	Brouard, Al	Dudley-Owen, Andrea
Blin, Chris		Snowdon, Alexander	Helyar, Mark	
Burford, Yvonne			Le Tissier, Chris	
Bury, Tina			Leadbeater, Marc	
Cameron, Andy			Trott, Lyndon	
De Lisle, David				
De Sausmarez, Lindsay				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tocq, Jonathan				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roffey, Peter				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Vermeulen, Simon				

1770

**The Bailiff:** In respect of the draft Elections Ordinance, 2024, there voted in favour, 32 Members; no Member voted against; 2 Members abstained; 6 Members did not participate in the vote and therefore I will declare that Proposition duly carried.

**COMMITTEE FOR ECONOMIC DEVELOPMENT**

**3. The Ro-Ro Sea Links (Guernsey) Law, 2024 – Approved**

*Article 3.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Projet de Loi entitled "The Ro-Ro Sea-links (Guernsey) Law, 2024", and to authorise the Bailiff to present a most humble petition to His Majesty praying for His Royal Sanction thereto.*

1775 **The Deputy Bailiff:** Article 3, the Committee for Economic Development – The Ro-Ro Sea Links (Guernsey) Law, 2024.

**The Bailiff:** Deputy Inder, is there anything you wish to say in respect of this matter?

1780 **Deputy Inder:** Yes, there is, sir.

I am just going to give a little bit of background because it has been a long time since this was back in this Assembly, as someone pointed out. At the States' Meeting of July 31st 2015, a Proposition was approved to draft the necessary legislation for the States to enable it to license certain ro-ro ferry services. The intention at the time was that this would enable Guernsey to sign and negotiate a long-term operating agreement between Condor Ferries Jersey and Guernsey.

1785 That policy letter set out the principle that to secure year-round, reliable sea link connections for services, legislation was required in order to provide exclusivity on certain routes and services. This requirement has been reinforced by the need to invest in future fleet provision. To do this, an operator will need to have surety of contract for an appropriate period of time. That 2015 policy letter set out the rationale for providing that exclusivity and this was supported by analysis provided by and it does appear, Deputy Dyke, they have been around a long time, both Oxera and Frontier Economics again.

1790 What are the key points? Even taken together, Guernsey and Jersey represent a small market size for ro-ro services, which limits the extent of entry into and competition within the market. The existing service network arrangements provide cross-subsidies. What is effectively a self-funded concessions model is considered superior to a state-funded cross subsidy arrangement, which is generally recognised as inefficient.

1795 The proposed concession agreement contains substantial provisions that would *inter alia* regulate the prices charged for services, specify the minimum frequency of services on all routes and ensure quality of services.

1800 As the topic of the moment is the current tender process, following the decision to pursue that tender for provision of ro-ro ferry services from March 2025, further work has been done on the legislation to align with the tender process and the draft contract, what they call the concession agreement.

1805 The legislation will have the effect of ensuring that the successful bidder will be able to operate services on an exclusive basis. Other operators will not be able to provide similar services, once the licence is granted. The exclusivity is required to ensure provision of year-round services and to provide the returns required by the operator for future fleet investment over the next five to 15 years.

1810 The Committee will have the power to grant a licence, by order, subject to there being in place a concession agreement. In effect, a contract. The Committee may specify the time for which the licence is granted, up to a period of 20 years. In summary, the legislation will enable a licensing system for the provision of ro-ro sea link services to be introduced. The purpose of the Law is to maintain and encourage year-round, long-term provision of reliable, robust and reasonably priced ro-ro ferry services that are of sufficient quality and frequency to meet the needs of users.

1815

In short, sir, it will need a single supplier.

**The Bailiff:** Deputy Gabriel.

1820 **Deputy Gabriel:** Thank you, sir.

I applaud the Economic Development Committee for their efforts to secure links by sea with our close neighbours, which we all agree are essential to enable our Island to continue to survive and prosper, as they provide for food importation and many other types of goods, vehicles and fuel. The carriage of passengers is also essential for some, too, who choose to, or by virtue of health restrictions, cannot use our air links.

1825 What does concern me with this Law is that we are enshrining into Law, for the next 20 years, a licensing regime that, on the face of it, seems anti-competitive as only one licence is able to be issued. We know the benefits competition can offer to the consumer. Indeed, we will shortly be debating this, or not the benefits for this, for our telecoms market. The consumer does not appear to be getting many good deals when it comes to links to and from our Islands.

1830 As I explained, our sea links are essential. A daily lifeline to and from the UK for the provision of goods, mainly foodstuffs and groceries, and we all know the impact at the supermarket shelf when the boat is delayed or not able to sail for a few days.

1835 Of course, do not forget our exports too, which include our process residual black bag waste and our recycling too. Not to mention the all-important economic benefits those travelling to our Island, whether that be for work, sport, leisure or many other reasons.

Reading through the Projet it strikes me that, if granted, it enables the issuing of a concession licence that would be anti-competitive, as the Law stipulates only once licence at a time to be issued per route. I would also like Deputy Inder, if possible, when summing up, to confirm that the concession licence will be of significant value, to enable regular maintenance and investment to be undertaken on the harbours infrastructure, that the sole licensee will be solely using, such as our ro-ro ramps.

1840 We do know that, over many years of ro-ro ferry services being in operation, to and from the Channel Islands, in reality the market is only of sufficient size for one operator, as Deputy Inder describes and to be able to provide lifeline services all year round, and that is key, we do need a reliable, all year round service, as we need our goods, locals and visitors and their vehicles imported and exported all year round.

1845 But one might hope that there is scope to be able to see some routes provide an additional carrier to offer competition during the peak periods. Even in reality, these are only the peak periods of July, perhaps, and August, on certain routes. But I appreciate that allowing competition on these other routes would mean less or no connectivity during off-peak and shoulder months, by those additional carriers, if we let them in, but concede it could be a worthwhile exercise because it offers choice to the consumer but not to the detriment of those lifeline routes, of course.

1850 But from my reading and my understanding, the Law does not appear to offer that choice. Other operators will not be able to provide similar service once a licence is granted, which is what worries me. I understand that operators may want the exclusivity to ensure that they operate year-round services and operating at capacity peak times will help them, certainly, subsidise their off peak operations and also provide the returns required by that operator for future fleet investment over the term of the concession licence. But let us be clear and let us be hopeful that the concession licence should be designed in a way that that future fleet investment serves our market and not another market from the UK to France.

1855 I understand that the overriding strategic policy objective is to secure the provision of lifeline services over extended periods, 20 years in this case, on those specific lifeline routes. But I also do not want to see the ro-ro Law limit our options, especially where consumer choice is concerned. In reality, currently there are two choices, take it or leave it, and I think our consumers need more than that. In fact, they deserve more than that.

1860 I further understand that the States, as Deputy Inder touched on in a policy letter approved in July 2015, set out the principle that to secure year-round, reliable sea link connections and services, this legislation is required in order to provide some exclusivity on certain routes – and that is the

1870 key, on certain routes – and that this will give the operator the surety of a contract for an appropriate period. But what about the principle of the consumer having access to the choice of carrier? That seems to have been missed.

1875 We know that following the decision this year to pursue a tender process for the provision of ro-ro ferry services from March 2025, not very far away, and I recognise that the further work has been done on this legislation to align that with the tender process and that this legislation will have the effect of ensuring that the successful bidder will be able to operate services on an exclusive basis on the routes prescribed in Annex 28, although we do not know what those are yet. So it would be useful to understand from Deputy Inder, when summing up, if he could outline the routes and ports he expects to be served. I do not necessarily need him to go into the commercial negotiations of the tender, but I would like to understand what we can expect on both the northern and the southern routes.

1880 At present, we know they are Portsmouth and Poole on the northern route and St Malo on the southern route. I would like to know is it anticipated that these routes will remain the same once the current tender processes have completed? Also, more importantly, what confidence can the consumer have that this Law will offer them the tri-factor of choice, value for money and security of supply?

1885 Thank you.

**The Bailiff:** Deputy Gollop.

1890 **Deputy Gollop:** Does Deputy Le Tissier want to come back? Because I have got quite a lot to say, actually.

The first thing I would like to say is that Deputy Gabriel made some very interesting points about the consumer market and I remember the days when we used to have Emeraude Ferries and little Condors going everywhere and British Channel Island Ferries and so on. But I think Deputy Inder might make the point – if he does not on this debate he might on the Airtel Vodafone phone regulation debate – we are a sub-optimal market.

1900 We have a finite number of consumers, a finite number of tourists and to be honest we are having to balance consumer choice and flexibility with reliability and certainty for not just passenger services but freight services. I know which side I would choose in preference. I know Deputy Soulsby gets cross if we have debates that go back over things we did before and we all got a bit of a wiggling there.

1905 But this is an odd one because the last time the States had a debate and I have looked back on the policy letter, was 31st July 2015. I do not how I have got it, I hope I will not get into trouble here, but I have a copy of this legislation that was drafted in 2016. Because it was very different. Deputy Meerveld might have seen it and Deputy de Lisle. It went to the Transport Licensing Committee.

1910 This legislation cannot be in conformity with the original policy letter, I will say to Deputy Dyke, in legislation, because it was clear in those days it was going to go to the relatively useless Committee that I chaired, because I do that sort of thing, the Transport Licensing Authority. They were going to be the political regulator. Now, of course, it is going to Economic Development mixed with Policy & Resources. So there has been a change of heart.

1915 In my view, it is more common sense to give it to a doing Committee that actually has people on it who can push the buttons than a group of politicians posing as regulators, because that was a flaw in the last system of government. But nevertheless I will point out there are differences and that is a crucial difference.

1920 Another interesting difference, because it is the same Resolution in both this legislation and the copy that never got to the States, was the legislation from 2016 that never made the Chamber, had many different phrases in it, one of which was that there were exemptions at that time, bearing in mind Deputy Gabriel's sage points, there were exempt services. Any ro-ro ferry service originating or terminating in a port on the Cotentin Peninsula, which probably referred to Cherbourg but it could have applied to Dielette.

1925 Another exemption was a southern port. I do not think they meant the Mediterranean, I assume they meant probably St Malo. And a third one was a stopover. None of that is in the new Law, I do not think. But what is in the new Law, and this might wake up Deputy de Sausmarez and Deputy Matthews and Deputy Murray too, is there is some failsafe provisions on (d) on the second page: ro-ro ferry services are to be provided in a manner, I bet this was not in the original policy letter:

... consistent with any policy or action plan concerning climate change approved by the States from time to time, and (ii) that, to the fullest extent practicable, assists the States to achieve any net zero or carbon neutrality targets set out in the policy or action plan or under any enactment in force in the Bailiwick aimed at mitigating climate change.

1930 So, within the context of the 20-year contract, we have to ensure that the successful ferry bidder will be not only a good ferry provider in terms of robust passenger and ferry choices and so on but also be up to the mark with green sustainability, which could limit our options, although that is a desirable objective, perhaps. So I am a little bit surprise to see that flagged up in the legislation.

We also have flagged up in the legislation some quite subjective ideas, I would say, about efficiency, effectiveness and innovation, the interests having to be protected, and sustainable. And also a kind of affordability is another criteria.

1935 If you turn to paragraph 4, procedure for granting a concession licence, it makes the purpose and principles, accessibility to be provided, (c), affordability, to users of these services, (d), the quality, the safety of the vessels, (e), the quality and safety of those services, (f), the frequency and intervals of those services as scheduled to be provided.

1940 I have frequently said to Deputy Inder I would like to go every day to France, especially in the winter, but that probably is not financially viable. So the kinds of issues Deputy Vermeulen often ably makes in the media and other ways, about air services, also apply to sea services: quality, affordability, reliability, frequency. I think those qualities, I hope they will not end up in judicial review, but they are quite subjective. But they are laid out in here so that intrigues me.

1945 I must admit that I have been involved in many different States. Deputy Ferbrache will remember the States in the 1990s, when he was a Conseiller, and I remember in 1999, I think, we had an extensive Transport Board debate – we heard about that earlier today – on ferry terminals. There were three tenderers, I think Condor was one, Sea Express and P&O, and we chose one. The community was buzzing with views that the States were biased one way or the other. It was all misunderstood. But we made a selection. But in those days, there were mass public –

1950 **Deputy Inder:** Point of correction, sir.

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

1955 **Deputy Inder:** I remember that. Actually, how Guernsey found out was through the pages of the *Jersey Evening Post*. Jersey made the decision, and Guernsey followed.

1960 **Deputy Gollop:** I stand corrected there because although Guernsey was involved in the decision making and we had certain legislation about our ramps, I do not know why we did not ... There we go, we make a Resolution in 2015. In 2016 the good officers of the Procureur and Comptroller and the lawyers draft the legislation. It never comes to the Chamber and now it does when we need it. But you get these gaps and we did not then.

1965 What I do remember in 1999 was the public went to mass meetings and the States voted on it. I remember, I voted for the losers, P&O. It shows how politics has changed that we have not actually had a debate on sea links at all until this legislation comes before us. Maybe that is a good thing because we do trust the work Deputy Inder has done with senior figures and his counterparts in Jersey, but I do find it extraordinary that an issue of far greater importance than I would say electoral expenditure, for example, has not been the subject of a generic debate.

I do support the legislation but I am interested in how it has landed up here from the 2015 Resolution, which led to a very different draft of legislation to be administered indeed by a different

1970 Committee. I think we are voting for something more because we have to than because we necessarily thought through all the implications.

**The Bailiff:** Deputy Roffey.

**Deputy Roffey:** Yes, sir.

1975 I understand where Deputy Gabriel is coming from but I am not sure I share his conclusions. He talked about the benefit for the consumer of competition and I think in a normal market that is absolutely right. It will tend to drive down costs and it will provide choice and therefore people can have what they like.

1980 I think in really small markets that often, counter-intuitively, that does not work at all and I think back, as a parallel perhaps, to our air links with Jersey. Back in the days before open skies, where you needed a route licence to drive between Guernsey and Jersey and only one airline had it, and it was providing a service that I think was very well appreciated by just about everybody in Guernsey and Jersey. And then, on the basis that competition was a good thing, the then licensing authority, I have forgotten the name of what the Committee was then, decided they would give a second  
1985 licence to somebody else.

Both airlines lost money hand over fist and we ended up with – I will be careful what I say – a service that is a shadow of what it was back before that time. Alderney's experience was even greater. They had a service between Alderney and Jersey and decided to license a second operator and ended up with no service on that route whatsoever. I do think that in small markets you have  
1990 to be careful about the doctrine of competition. It does not always drive a better service. It can sometimes bring a worse service.

I share his instincts that it feels wrong in a way to say that for 15 or 20 years only this company, whichever one it will be, will be able to use our ro-ro ramps. It does not stop passenger ferries, of course, but it will stop other ro-ro operators. But I think you either have a chance to leverage that offer and be able to get – Deputy Gollop has said what does frequency mean, what does fare mean –  
1995 the *quid pro quo* is going to be that there will be a contract and in return for getting exclusivity, the operator, whoever it is, will offer a level of service that they promise and if it falls below that level then they will be in breach of that and they will be in breach of the agreement.

I think we have to balance up, let us go for it, let us have a free for all, and I certainly would be  
2000 totally against the idea of this operator has to do most of the year but in the summer somebody else can take a bit of the cream, because I do not think that works at all. I think it militates against investment.

You have to balance up between let us hope that competition will drive a better service for everybody, or let us negotiate with a reliable operator, whomever that shall be, on the basis of there  
2005 is a service level agreement and this is what you have to provide in order to get that exclusivity.

I have been convinced by Economic Development that the latter approach is better, even though I do understand his comments.

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

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**Deputy Kazantseva-Miller:** Thank you, sir.

I just wanted to further address the point about consumer choice, consumer competition. As Deputy Roffey correctly emphasised, this is only in relation to the ro-ro services. So that is roll-on, roll-off ferries; generally the larger boats. This does not affect lo-lo, lift-on, lift-off services and some  
2015 of the freight, including Alderney, etc, is brought through lo-lo services. It also does not affect any passenger services so whether it would be Manche lles or Islands Unlimited or any other type of business that might wish to operate between the Islands, this would not be affected.

Hopefully this helps address some of the issues in terms of the consumer choice because hopefully, actually, through those services, we will have additional choice in addition to the ro-ro  
2020 ferry licensing.



I think what is important to state is that this actually is quite important in ensuring resilience and stability and long-term longevity, not only for the States of Guernsey but also for the ferry operators. If I was a ferry operator right now, negotiating a contract, if I could not get access to an exclusive licence for the period of time that I put my proposals forward, I would not be actually signing a contract.

If we do not have this enabling legislation we do not have a key tool in our toolbox to enable for us to negotiate and sign the contracts that we need for long-term security for our sea connectivity. So I think this is enabling legislation. The details of actually what this service will look like, which route, etc, how it works through the seasons, is what is being negotiated outside of this enabling legislation through the tender process that we are undertaking and will hopefully conclude very shortly.

Thank you.

**The Bailiff:** Deputy Le Tocq.

**Deputy Le Tocq:** What she said, sir!

**The Bailiff:** Deputy Dyke.

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

Just to clarify one point and perhaps Deputy Inder could clarify that this is the intention, this only applies to ro-ro ferry services on prescribed routes. So it will be up to the Committee to specify what the prescribed routes are. For example, we would not have to prescribe Cherbourg to St Peter Port or whatever. So each route has to be taken separately, as I read this, with a view to the Committee prescribing a route or not prescribing a route. That is one point.

Just to pick up on a point raised by Deputy Gollop, a point that was as I recall discussed in the Legislation Scrutiny Panel and this sort of clause is appearing all over the place.

Ro-ro ferry services are to be provided in a manner consistent with any policy or action plan concerning climate change approved by the States from time to time, to the fullest extent practical assists the States to achieve net zero or carbon neutrality targets set out in the policy or action plan, or under any enactment enforced in the Bailiwick, aimed at mitigating climate change.

I find that we discuss it in Committee and we are told this is becoming standard but this sort of provision is absolutely horrendous. It is impossible to know whether you comply with all that and I do wish that we did not have this sort of thing appearing and it really should not appear again. Since I am standing I am minded of provisions that we put out in our tender documents, for example tendering to commercial advisers in the UK, with no officers in Guernsey, no staff in Guernsey, and they have to agree to abide by our requirements for employment, equality, equity, diverse and blah blah. An English company not based here cannot do that. They either tender with their fingers crossed or they go away.

That needs looking at and this sort of thing needs looking at and we really should not do it. We were told at the Legislation Scrutiny Panel that this was now standard and it is not for us, really, to go against that sort of thing. But it should not happen. It needs to stop, otherwise we are tying ourselves up in knots, making this impossible to deal with.

Thank you.

**The Bailiff:** Deputy de Lisle and then Deputy Ferbrache.

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

I wanted to make a couple of points, one first to build on the point of Deputy Gollop with respect to the separation of powers and ask exactly why the Transport Licensing Authority (TLA), was given a licensing function in earlier drafts but not in the latest version? I take it that it seems that Economic

Development has taken on the licensing role for itself and it will presumably apply its own policies to decision making with regard to that area.

2070 But normally, we look at a separation of powers with regard to that, although I know that there is a tendency now to rid ourselves of the regulator essentially, in a lot of things that we do. I think we have to come back to this and ask why that was done.

The second point is with regard to the legislation, which was inconsistent with the 2015 policy letter in that the policy letter refers to the UK and St Malo and Cherbourg is not mentioned and  
2075 surely there is a need for flexibility with regard to this legislation?

Thank you.

**The Bailiff:** Deputy Ferbrache.

2080 **Deputy Ferbrache:** Sir, I am going to say something I do not say very often, which is well done Deputy Dyke, because his comments in relation to some of those provisions are absolutely right. I know he was talking well beyond today. We are making it impossible.

To deal with Deputy Gabriel's point, the Islands need security. Nobody is going to apply for this type of licence unless they have got security. They are not going to invest it in a paddle boat that is  
2085 going to cost £500. They are going to invest in vessels that are going to cost many millions of pounds. So they need security.

Also, as I am sure everybody in this Assembly has done, they have read this draft legislation thoroughly. It is very clear:

Section 7(1), a licence is subject to the following conditions: the licensee must perform any agreed services in accordance with the licensing agreement and must otherwise fulfil all the licensees' obligations.

If they do not then that can be suspended because that is what the legislation will provide.

2090 I never like history being rewritten and Deputy Inder was going to re-write history. I was actually at the coalface at that time, as Deputy Gollop has said. I was President of the Board of Industry and therefore *de facto* Vice-President of the Transport Board. I remember going into a packed public meeting at the back, when I was about as popular then as I was when we were putting forward GST because everybody wanted P&O, in the public. If we had, it would have been an absolute disaster.

2095 I can remember my Vice-President of that Committee at the time was a very good friend of mine, Conseiller Eric Walters. We sat down at the Board Industry, and said, 'Eric, Peter cannot go next week because he is in court.' I was still working as an advocate in those days. 'You have got to go, you have to vote this way.'

2100 Dear old Eric went and voted a different way. So therefore we had to bring it back to the Committee, re-vote it and bring it back. Thankfully we did. Of course, we were influenced by what Jersey wanted because we wanted to work with Jersey. Twenty-five years ago, 26 years ago, we wanted to work with Jersey. So what came about was in the best interests of the Bailiwick.

2105 Now what has come about here as a result of this policy letter is in the best interests of the Bailiwick. We should not touch it with a proverbial bargepole but we should pass it and we need to get on with it and we need to take a first step. Goodness me, this has only taken nine years to come from that stage to this stage. That is almost a sprint in the States' legislative process! We should actually adopt it and get on with it. Then hopefully in the next few months conclude whatever the agreement may be for the future services to our Island.

2110 **The Bailiff:** I will turn back to the President, Deputy Inder, to reply to the debate.

**Deputy Inder:** Thank you and I think Deputy Gabriel's was the most substantial contribution in terms of length and detail, yet I think most of his questions were answered by Deputy Roffey and Deputy Kazantseva-Miller. He is nodding in joyous agreement. I am not entirely sure that is joy  
2115 written across his face, but I think there is little for me to do.

I am just going to answer the question from Deputy Dyke. I do not know how it slipped into legislation and I understand that things like – sorry, I cannot read my own writing – consistent with an action plan relating to climate change actually annoys him but if it helps, we are going down a path, shipping regulation is changing, oil is changing. Even if we do not do it, the way boats can enter ports nowadays are going to have it done to them anyway. It is as simple as that. We are not going to be shovelling coal into some old steam engine and hopefully we can land in any adjacent port. It is going to happen here.

As annoying as it might be I think we are playing catch-up if anything because regulation is changing the way ferries operate around their own harbours and in the seas. If that helps at all. It clearly does not, so I will give way.

**Deputy Dyke:** I thank Deputy Inder for giving way. The point was not so much that it annoys me it is that it introduces a level of uncertainty in terms of what is covered and what it means and how a potential contracting shipping company can deal with it, to the extent they read it and take it seriously, their lawyers will advise them this is open-ended we have not got a clue what to do. It is the uncertainty rather than irritating me that was more my point.

**Deputy Inder:** I accept that but I think what we are actually seeing, even a cursory look is that there is a certain amount of electrification of services anyway. At least being in port, it is likely, in some years' time, that you may not be able enter into certain ports under power. But that will not be driven by Guernsey, it will be driven by bigger nations, who will just apply that the boats will be built for those bigger ports and that is what will happen. I am trying to help, we are probably arguing over nothing in that regard because things, like I said, are going to be done to us rather than by us.

In short, sir, Members of the States, I think I have said all I can really say and I would ask people to vote for this piece of legislation.

Thank you very much.

**The Bailiff:** Members of the States, there is a single Proposition, whether you are minded to approve the draft Projet. I will invite the Greffier to open the voting please.

*There was a recorded vote.*

*Carried – Pour 34, Contre 0, Ne vote pas 2, Did not vote 3, Absent 1*

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	Roberts, Steve	Helyar, Mark	Dudley-Owen, Andrea
Blin, Chris		Snowdon, Alexander	Le Tocq, Jonathan	
Brouard, Al			Leadbeater, Marc	
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				

Moakes, Nick  
Murray, Bob  
Oliver, Victoria  
Parkinson, Charles  
Prow, Robert  
Queripel, Lester  
Roffey, Peter  
Soulsby, Heidi  
St Pier, Gavin  
Taylor, Andrew  
Trott, Lyndon  
Vermeulen, Simon

**The Bailiff:** In respect of this Proposition, there voted in favour, 34 Members; no Member voted against; 2 Members abstained; 4 Members did not participate in the vote, and I will declare the Proposition duly carried.

## COMMITTEE FOR HEALTH & SOCIAL CARE

### 4. The Regulation of Care (Enabling Provisions) (Bailiwick of Guernsey) Law, 2024 – Approved

*Article 4.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft *Projet de Loi* entitled "The Regulation of Care (Enabling Provisions) (Bailiwick of Guernsey) Law, 2024", and to authorise the Bailiff to present a most humble petition to His Majesty praying for His Royal Sanction thereto.*

2150 **The Deputy Bailiff:** Article 4, Committee for Health & Social Care – The Regulation of Care (Enabling Provisions) (Bailiwick of Guernsey) Law, 2024.

**The Bailiff:** Deputy Brouard, is there anything you wish to say in opening?

2155 **Deputy Brouard:** If I may, sir, just a few words. A bit like a pint of milk, I am just going to read the cream at the top!

I am pleased to be able to present to the Assembly, on behalf of the Committee for Health & Social Care, the Regulation of Care (Enabling Provisions) (Bailiwick of Guernsey) Law, 2024. This is a *Projet de Loi*, and it will be the umbrella under which Ordinances will eventually be brought forward.  
2160 So this is the overarching Law and it will give us the opportunity to then pick off all the different ordinances, which are listed again in the actual Law.

This enabling Law would also allow the establishment of a structured, independent and proportionate statutory regulatory regime for healthcare and its main two purposes of the Law will be firstly it will be, as I mentioned earlier, the power to make ordinances to regulate specific health and care professions, as well as the provision of care more broadly.  
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Secondly, as I also just mentioned, it will allow the establishment of a regulatory commission by ordinance, if this is a route that we wish to take in the future.

After the Law is enacted, the main ordinance we would wish to bring forward first is one that you have already asked us to do, which is to focus on the regulation of nursing and residential care, care homes, home care services, etc. That is all part of the sustainable health and care portfolio.  
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That is the essence of it. This is the overarching Law, which will then give us the ability to drop down ordinances for care generally and the regulation of care generally.

Thank you, sir.

**The Bailiff:** Deputy Bury.

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

I am very supportive of the Projet and thank you to Deputy Brouard for his clear explanation of it. I did just want to ask if this extends ... Deputy Brouard did say care very broadly, but I think it depends on the definition of care, so I am just keen to understand if this umbrella provision will extend to the more holistic and alternative therapies. To be clear, that is not something that I am against. I think it is important that people are able to explore them, but it is also important that they are protected when doing so, in the same way as pursuing the mainstream care that is available.

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There are quite a few lists in here about people that are registered with the professional bodies and operating under the professional definitions of care. At the list at the end of Schedule 4, it does say counsellor or any kind of therapist. I think those are quite broad, but I wondered if someone did not use those words, if they called themselves a healer or a slightly alternative term, will these provisions be able to be extended to them in due course?

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Thank you, sir.

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**The Bailiff:** Deputy Soulsby.

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

Just to say I am very pleased to see this Law, like Deputy Bury. As Members will now know this was started in the last term when the policy letter was approved. It is a really important Law that will protect the public and that is why certainly that Committee in the last term was eager to get this going through. I do thank the President for forwarding me the draft of the Law to ask for my comments, knowing that I had an interest in this and it was something that I had originally put forward. I was happy to read it.

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It is, of course, very broad, and it is of course only enabling, so there is nothing here that could change anything overnight. But it will enable us just to start on a journey. I believe it will cover off concerns Deputy Bury had. The whole point of this was to regulate those areas that sit outside any regulation now. I suspect that it will have little impact on those very regulated areas, such as general practitioners, medical consultants, but it will have a bigger effect on those who purport to be making health claims and providing various treatments, which might be of a less robust nature.

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I am pleased to see this. Just finally, I wonder whether Deputy Brouard can answer this now, the original intention was to hopefully be able to work with Jersey, so we had an overarching regulator. I know they have gone on their journey and I know Jersey tend to put all the bells and whistles on all their regulations, which could make it quite expensive, but I am sure, given the economic climate in both Jersey and Guernsey, they might be willing to work with us to spread the load.

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Thank you.

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**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** *[Inaudible]* ... The debate is always important. We could highlight this as well and actually, as Deputy Soulsby reminded us, it is from her successful era as President of the Health Committee that because it is another one of those issues, like the last piece of legislation, which predates this Assembly. It even predates COVID. Because the Resolutions were 28th February, 2019, incidentally that was the same as the Guernsey Partnership of Purpose, more or less and a care passport.

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Carers are very important although I have to admit I did not necessarily see the consequences here of potential regulation. I do not know, I call them therapists, but they could be healers??? They could be mentors There are all sorts of things.

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The objective that was clear is protect the public safety ... *[Inaudible]* At the moment, where practical we ensure the safety and quality in relation to care that leads surely to regulation of care. Like Deputy Soulsby, I would be interested in seeing a care commission in Guernsey or perhaps

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share with Jersey, and then to do a children's commission. Part of the reason I was interested in SLAWS was that it was part of the philosophy of improving conditions of employment for the carers but also quality of care offered and the credentials and maybe standards and maybe minimum qualification. This piece of enabling legislation does not go as far as I would have liked to emphasise the skills, improvement and training.

But it is, as has been said, just an enabling Law and it emphasises protecting public safety. And emphasises Alderney and Sark really well. So I welcome it. I do not want it to be too bureaucratic or restrictive. I think again we have to balance freedom of choice with the safety of the public, to say the least. But it also defines, the caring profession and it means any kind of description of a professional occupation directly or indirectly connected with care, or connected with healthcare, social care or provision of care. That could be interpreted, again, very widely and it might include, for example, home help, it might include masseurs.

I would be interested in Deputy Brouard perhaps summarising why he thinks the ordinances are likely to go and also whether he envisages that this legislation, in the fulness of time, will have more onerous requirements for qualifications, credentials and skills for carers with adults with autism, with extra care, with nursing, residential homes, home care and so on, and upgrading the profession and maybe not just the regulation but the commission is an intrinsic part of moving this agenda forward.

I support it.

**The Bailiff:** I turn back to the President, Deputy Brouard, to reply to that short debate, please.

**Deputy Brouard:** Thank you very much, sir, and thank you for the three Members who have contributed. Just picking up on Deputy Bury's point, she is absolutely right, Schedule 4 is our main list and if I can just read a couple of them towards the end, it picks up some of the more nuanced issues. It is things like, 26, any other profession or occupation in any way connected with healthcare, social care or the provision of care, registered, licensed or in any way regulated by any body or any person, United Kingdom or any other country or territory, any kind of provider of cosmetic interventions, nutritionists, counsellor and any kind of therapist.

So it has been written, I think Deputy Soulsby picked up on it, with the idea that it would pick up some of the more nuanced care provisions that may not look like the normal going to a GP. That is part of it. Thank you for that.

I think Deputy Soulsby mentioned making it broad and enabling, which is exactly what we are doing and obviously we stand on the work that has been done previously and we are very pleased that we have been able to bring it to this level.

The Jersey part is an interesting one and there is a piece I can quote. With regard to the size of the regulation and whether we are going to have some sort of regulatory care board or not, the options available within our operating constraint include investigating opportunities with Jersey and the Isle of Man and these are currently under consideration.

But we have to also remember these are larger places, with bigger budgets, larger cheque books and larger overspends. So we have to look at, as we have just been talking about, ro-ro ramps and licensing, at something that is going to be proportionate for our Island and if we can plug in with our colleagues in the other Crown Dependencies and it is worthwhile us doing so, I think that makes an obvious move for us.

Just finally, with Deputy Gollop, he was asking would there be any onerous requirements on the care professions. That is a very difficult one, Deputy Gollop. Who do you want to look after you in your old age? Do you want somebody who has just literally come off the boat, we do not know where they have been, we do not know what qualifications they have and they are going to be in your home, giving you a shower in the morning and wandering around your rooms?

You do need to have some sort of licence and some sort of vetting process. Obviously we do not want it to be onerous but we do want it to be smart, we do want it to be professional, to make sure that Islanders have people who are helping them who are suitably qualified and suitably

2280 regulated and I think that is what we all would wish. Again, going back to what Deputy Soulsby was mentioning about the size of any Commission, all of it needs to be proportionate for our size and of course these pieces will come in incrementally as the different ordinances are worked through, with care regulation being one of the first because that is backing up the issues that we have got with regard to SLAWS.

Thank you very much indeed and please support the proposals.

2285 **The Bailiff:** Members of the States, once again there is a single Proposition, whether you wish to approve the draft Projet de Loi, and I will invite the Greffier to open the voting thereon, please.

*There was a recorded vote.*

*Carried – Pour 38, Contre 0, Ne vote pas 0, Did not vote 1, Absent 1*

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	Helyar, Mark	Dudley-Owen, Andrea
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				

2290 **The Bailiff:** In respect of that Proposition, there voted in favour, 38 Members; no Member voted against; no Member abstained; 2 Members did not participate in the vote and therefore I will declare the Proposition also duly carried.

**COMMITTEE FOR HOME AFFAIRS**

**5. The International Criminal Court (Bailiwick of Guernsey) Law,  
2019 (Commencement) Ordinance, 2024 –Approved**

*Article 5.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Ordinance entitled "The International Criminal Court (Bailiwick of Guernsey) Law, 2019 (Commencement) Ordinance, 2024" and to direct that the same shall have effect as an Ordinance of the States.*

**The Deputy Greffier:** Article 5, Committee for Home Affairs – International Criminal Court (Bailiwick of Guernsey) Law, 2019 (Commencement) Ordinance, 2024.

2295 **The Bailiff:** Deputy Prow, is there anything you wish to say?

**Deputy Prow:** Yes, please, very briefly, sir.

2300 The Assembly is today being asked to approve four Ordinances which are required to commence and implement the International Criminal Court Law, 2019. The Law was previously agreed by the States and registered in 2022.

2305 This Law implements the provisions of the Rome Statute, which established the International Criminal Court (ICC) as a supra-national court, trying individuals for genocide, crimes against humanity and war crimes. The Law gives effect to requests for assistance from the ICC. The first Ordinance which Members are being asked to consider is the Commencement Ordinance, which will bring the Law into force on 1st October 2024.

I ask the Assembly to support the Proposition. Thank you, sir.

2310 **The Bailiff:** As I do not ... Oh, I do I see a Member rising.  
Deputy St Pier.

2315 **Deputy St Pier:** Just very briefly, sir. I have got no objection to any of these Ordinances but I was hoping that Deputy Prow might address it when opening, if he could perhaps explain, there has obviously been a delay between the original States' Resolution and now the bringing into force of these pieces of legislation, whether there was a particular catalyst or reason for this happening now, given it has been delayed. It is more a matter of curiosity but there has not been any context of background as to why we are seeing an Ordinance here today now and I am wondering whether he could address that at some point in relation to one or more of the pieces of legislation before us today.

2320 **The Bailiff:** The acoustics in this building are quite good so I could hear what Deputy Inder had to say but I will turn back to the President of the Committee for Home Affairs, Deputy Prow, to respond to that if he wishes to at this point.

2325 **Deputy Prow:** Thank you, sir, yes.

I think I should respond. I think Deputy St Pier used the word catalyst. He is right that the Law was registered in 2022, and it has taken some time to get to the commencement stage. That is not because this is not a very important matter and I think that is the main point that Deputy St Pier was making.

2330 We have had this term an extremely heavy workload with regard to legislation and a lot of that legislation has been looking at our international obligations and, yes, this is another piece of legislation, which looks at our obligations and we are very pleased, as a Committee, to be in a



position to not only commence the Law but put in place the background Ordinances that you need to underpin it.

2335 These things do take time of Law Officers of the Crown and I hope that answers the question that has been posed and I ask the Assembly to approve the Ordinance.

Thank you, sir.

2340 **The Bailiff:** Members of the States, a single Proposition, whether you are minded to approve the draft Ordinance, commencing the 2019 Law at the beginning of next month and I will invite the Greffier to open the voting, please.

*There was a recorded vote.*

*Carried – Pour 38, Contre 0, Ne vote pas 0, Did not vote 1, Absent 1*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>DID NOT VOTE</b>	<b>ABSENT</b>
Aldwell, Sue	None	None	Helyar, Mark	Dudley-Owen, Andrea
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				

2345 **The Bailiff:** In respect of the draft Commencement Ordinance, there voted in favour, 38 Members; no Member voted against; no Member abstained; 2 Members did not participate in the vote and I will declare the Proposition carried.

COMMITTEE FOR HOME AFFAIRS

**6. The International Criminal Court (Remand Time)  
(Bailiwick of Guernsey) Ordinance, 2024 –Approved**

Article 6.

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Ordinance entitled "The International Criminal Court (Remand Time) (Bailiwick of Guernsey) Ordinance, 2024" and to direct that the same shall have effect as an Ordinance of the States.*

**The Deputy Greffier:** Article 6, Committee for Home Affairs – The International Criminal Court (Remand Time) (Bailiwick of Guernsey) Ordinance, 2024.

**The Bailiff:** Deputy Prow, do you wish to elaborate upon the terms of the draft Ordinance?

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

Only extremely briefly. The Law requires H.M. Procureur, having received a request from the ICC for the arrest of a person that has been convicted by the ICC or alleged to have committed an ICC crime to transmit the request to a judge/magistrate court and it also lays out how, in those circumstances, where it is urgent, how those provisions would apply. I ask the Assembly to approve the Ordinance.

Thank you, sir.

**The Bailiff:** As I do not see any Member rising, I will simply invite the Greffier to open the voting on this draft Ordinance, relating to remand time.

*There was a recorded vote.*

*Carried – Pour 38, Contre 0, Ne vote pas 0, Did not vote 1, Absent 1*

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	Helyar, Mark	Dudley-Owen, Andrea
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				

Murray, Bob  
Oliver, Victoria  
Parkinson, Charles  
Prow, Robert  
Queripel, Lester  
Roberts, Steve  
Roffey, Peter  
Snowdon, Alexander  
Soulsby, Heidi  
St Pier, Gavin  
Taylor, Andrew  
Trott, Lyndon  
Vermeulen, Simon

2365 **The Bailiff:** In respect of the Proposition to approve this draft Ordinance, there voted in favour, 38 Members; no Member voted against; no Member abstained; 2 Members did not participate in the vote and therefore I will also declare that Proposition duly carried.

### COMMITTEE FOR HOME AFFAIRS

#### 7. The International Criminal Court (Enforcement of Fines, Forfeiture and Reparation Orders) (Bailiwick of Guernsey) Ordinance, 2024 – Approved

Article 7.

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Ordinance entitled "The International Criminal Court (Enforcement of Fines, Forfeiture and Reparation Orders) (Bailiwick of Guernsey) Ordinance, 2024" and to direct that the same shall have effect as an Ordinance of the States.*

**The Deputy Greffier:** Article 7, Committee for Home Affairs – The International Criminal Court (Enforcement of Fines, Forfeiture and Reparation Orders) (Bailiwick of Guernsey) Ordinance, 2024.

2370 **The Bailiff:** Deputy Prow, as the President to open the debate on this matter if he wishes.

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

Again, extremely briefly. This Ordinance will enable the enforcement of fines, forfeiture and reparation orders made by the ICC and specifying the procedure in which to be followed, or in respect of victims of those crimes.

2375 Thank you, sir.

**The Bailiff:** As nobody is rising, I will simply put the draft Ordinance to the vote and invite the Greffier to open the voting, please.

*There was a recorded vote.*

*Carried – Pour 38, Contre 0, Ne vote pas 0, Did not vote 1, Absent 1*

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	Helyar, Mark	Dudley-Owen, Andrea
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				

De Lisle, David  
De Sausmarez, Lindsay  
Dyke, John  
Fairclough, Simon  
Falla, Steve  
Ferbrache, Peter  
Gabriel, Adrian  
Gollop, John  
Haskins, Sam  
Inder, Neil  
Kazantseva-Miller, Sasha  
Le Tissier, Chris  
Le Tocq, Jonathan  
Leadbeater, Marc  
Mahoney, David  
Matthews, Aidan  
McKenna, Liam  
Meerveld, Carl  
Moakes, Nick  
Murray, Bob  
Oliver, Victoria  
Parkinson, Charles  
Prow, Robert  
Queripel, Lester  
Roberts, Steve  
Roffey, Peter  
Snowdon, Alexander  
Soulsby, Heidi  
St Pier, Gavin  
Taylor, Andrew  
Trott, Lyndon  
Vermeulen, Simon

2380

**The Bailiff:** In respect of the draft Ordinance, there voted in favour, 38 Members; no Member voted against; no Member abstained; the same 2 Members not participating, so that Proposition is also declared as carried.

## COMMITTEE FOR HOME AFFAIRS

### 8. The International Criminal Court (Immunities and Privileges) (Bailiwick of Guernsey) Ordinance, 2024 – Approved

*Article 8.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Ordinance entitled "The International Criminal Court (Immunities and Privileges) (Bailiwick of Guernsey) Ordinance, 2024" and to direct that the same shall have effect as an Ordinance of the States.*

2385 **The Deputy Greffier:** Article 8, Committee for Home Affairs – The International Criminal Court (Immunities and Privileges) (Bailiwick of Guernsey) Ordinance, 2024.

**The Bailiff:** And Deputy Prow, let us see if you can get a full house on these four Ordinances.

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

2390 This Ordinance deals with the matter of the United Kingdom having signed the agreement on privileges and immunities of the International Criminal Court, 2002, on 10th September 2002. Under

the agreement the Court has certain categories of individuals working for it and involved in its proceedings and they are to enjoy privileges and immunities, to allow them to carry out their functions effectively and without undue external influence, in the interests of good administration of justice.

Thank you, sir.

**The Bailiff:** Once again, nobody is rising to speak on this draft Ordinance, and therefore I will invite the Greffier to open the voting on it, please.

*There was a recorded vote.*

*Carried – Pour 38, Contre 0, Ne vote pas 0, Did not vote 1, Absent 1*

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	Helyar, Mark	Dudley-Owen, Andrea
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				

**The Bailiff:** There we go. Anyone want to guess what the result is? The voting on this Proposition was there voted in favour, 38 Members; no Member voted against; no Member abstained; 2 Members did not participate in the vote and therefore I will declare that duly carried. Deputy Prow has managed his full house there, four Ordinances, four same results!

**COMMITTEE FOR ECONOMIC DEVELOPMENT**

**9. Temporary and Limited Exemption to the Competition Law  
to enable Guernsey Airtel Limited to exit the market  
by way of acquisition by Sure (Guernsey) Limited –  
Debate commenced**

Article 9.

*The States are asked to decide: -*

*Whether, after consideration of the policy letter entitled 'Temporary and limited exemption to the Competition Law to enable Guernsey Airtel Limited to exit the market by way of acquisition by Sure (Guernsey) Limited' dated 16<sup>th</sup> August 2024 they are of the opinion: -*

*1. To agree that given the broader benefits that can be secured for the jurisdiction, there are good public policy reasons to enact an Ordinance to create a temporary and limited exemption from the Competition (Guernsey) Ordinance, 2012 in order to enable Guernsey Airtel Limited to exit the market by way of acquisition by Sure (Guernsey) Limited.*

*2. To approve the draft Ordinance entitled "The Competition (Time Limited Exemption) (Guernsey) Ordinance, 2024" as set out in Appendix 2 to the Policy Letter, and to direct that the same shall have effect as an Ordinance of the States, and*

*3. If Proposition 2 is agreed, pursuant to section 2 of the Competition (Time Limited Exemption) (Guernsey) Ordinance, 2024, to note the conditions listed in Appendix 1 to the Policy Letter on Sure (Guernsey) Limited by way of licence modification, and to direct the Guernsey Competition and Regulatory Authority to have regard to those conditions in considering any licence amendments if the Authority is notified of an agreement between Sure (Guernsey) Limited and Guernsey Airtel Limited pursuant to section 1 of that Ordinance.*

**The Deputy Greffier:** Article 9, Committee for Economic Development – Temporary and limited exemption of the Competition Law to enable Guernsey Airtel Limited to exit the market by way of acquisition by Sure (Guernsey) Limited.

2410

**The Bailiff:** I will invite the President of the Committee, Deputy Inder, to open the debate.

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

2415 Members of the Assembly, as I said in my President's Statement, there is an extremely good news story here. If you want to hear it. If the States gets all elements of its digital aspirations lined up by 2027, this Island will be one of the most connected jurisdictions in the world. A jurisdiction focused on global business, with digital network to match. Good news indeed.

2420 This is an opportunity to reaffirm our commitment to investing in our infrastructure, to demonstrate our credentials as a place that welcomes business and environment and a place that is looking to the future. I note from the paragraph that I said this is an opportunity to reaffirm our commitment to investing in our infrastructure.

2425 When, sir, Members of the States, do people walk in the door and tell us they want to invest in our infrastructure? Most of the time we have got to do it ourselves. This is a significant firm, significantly employing, basically opening their doors to us and saying, we want to change your Island by 2027. (**A Member:** Hear, hear.)

2430 I know that some Members of the Assembly want to better understand why that decision is being made in this way and I will share more detail on that in due course and it is right that this Assembly holds the decisions of its Committees to account. It is however also important to remember that what is being proposed today is good for our jurisdiction and that competition consumers' matters are being addressing in a proportionate way. That will be undeniable.

In May 2022, Members of Economic Development and the Members of Policy & Resources were advised that Airtel Vodafone intended to exit the Channel Islands telecommunications market and

that Sure was keen to acquire Airtel's business in both Guernsey and Jersey, subject to relevant regulatory approvals being obtained in both Islands.

2435 Both Committees jointly advised the GCRA of the proposed acquisition and asked whether GCRA would be able to consider the proposed acquisition under the normal regulatory process set out under Competition Law. The GCRA advised that the acquisition of Airtel and Vodafone by Sure, the largest mobile provider on the Island, on the face of it, was likely to amount to a substantial lessening of competition in the mobile market.

2440 The GCRA advised that if this condition was met, the Law would not appear to permit approval of such transaction by the GCRA. But – and this is important – the GCRA went on to note that, and I quote from their letter, as your letter sets out, there may be important overriding public policy reasons to allow the acquisition to proceed. In such circumstances the Law provides for Committees to exempt a transaction on grounds of public policy and your letter touches on several potential  
2445 candidates. It is therefore the Authority's suggestion that consideration is given to the use of powers of Section 14 in the Competition Law.

In other words, it was the regulator itself that first suggested that the Committee might want to consider utilising public policy exemption set out in Section 14, which enables the Committee *for* Economic Development, to propose to the States of Deliberation, you the final arbiters, that the  
2450 transaction be exempted from the ordinary requirements of the Competition Law, providing that there was or there are exceptional and compelling reasons of public policy to do so.

I will come back to that public policy test shortly. But first it is important to bust two myths. The first myth that I would like to bust is that there has been no engagement with the GCRA. There has been extensive engagement with the GCRA throughout the process, but it was recognised from the outset that under Guernsey's Competition Law the Committee *for* Economic Development could  
2455 take account of the broader public policy benefits in a way that the GCRA could not. They simply could not consider the broader public benefits.

This is built into the legislation. In short, the States has the ability to make this decision through the Competition Law and as I will set out later, the Committee by majority is assured that in doing  
2460 so it will not harm Guernsey's reputation or interests. The critical point is what are the public policy benefits of the acquisition proceeding?

Members will be aware that Sure and the States of Guernsey have already committed a significant amount of investment to the fibre for the premises project, with Sure committing some £25 million of investment and the States of Guernsey investment of the £12.5 million. As I said in  
2465 this morning's update Statement, they are well ahead of schedule. They are a company to be trusted.

If the acquisition is approved by the States, it will lead to a further direct investment for Sure of up to £35 million, with £28 million being invested in a new core network serving the Channel Islands, of which £10.1 million will be directly invested in Guernsey infrastructure and £7.2 million on  
2470 Guernsey's specific radio network infrastructure. That is £17.3 million in total investment in digital infrastructure in Guernsey.

As a direct result of the proposed transaction, Sure will build a completely new mobile network that offers the latest generation technology and services to greatly advance data speeds, improve coverage and call quality. This network will be built and delivered at a much faster pace than would  
otherwise happen if the transaction does not take place.

2475 The network will be 5G enabled, such that there will be a minimum delay in introducing innovative services, should Sure be successful in the future licensing process for 5G, that will be undertaken by the GCRA. It will be fully compliant with the forthcoming telecoms security requirements. I will remind Members that Guernsey telcos are under obligation to swap out the HRVE, the high risk ... I cannot remember what the V and the E are, the HRVE kit from their local  
2480 networks, the Chinese made stuff. The Committee will be bringing a policy letter to the States' Assembly before the end of the political term, on deploying the next generation 5G mobile technology to the Bailiwick. And the Committee has therefore identified the beneficial outcomes in terms of improvements in network quality, including a commitment to establish a 5G enabled

network, enhanced network security, reduced environmental impact and positive impacts on the economy in terms of further and sustained investment by Sure.

The second point that I would like to deal with is the JCRA has been dealing with the equivalent transaction in Jersey, whereas the Committee for Economic Development has been dealing with the matter in Guernsey. This is due to the differences between the two markets. In Jersey, the transaction would result in a roughly 50-50 market share in mobile services between Sure and JT, which is less market concentration than in Guernsey, where it will initially be 80-20.

This means that the JCRA is able to deal with the application in Jersey whereas in Guernsey the regulator indicated it was unlikely to be able to approve the acquisition due to the lessening of competition that would arise. I will repeat that: it was unlikely to be able to approve the acquisition due to the lessening of competition that would arise.

However, the JCRA has secured an important mitigation and that will substantially lessen any concerns about a reduction in competition in the mobile market in both Islands, by the introduction of a mobile virtual network operator, or MVNO, with a clear commercial partner now in place, the Co-op, not only is it clear the contracts have been signed and they are ready to go within roughly 12 months, once this transaction has been completed.

There will still be three mobile telecoms operators in Guernsey after the proposed acquisition. So absolutely nothing will change in terms of competition. Nothing at all. We will still have three mobile operators, one admittedly running on an existing network, which is Sure's, but it will be an improved network within two years.

It is anticipated that JT will want to compete for new mobile customers, as will the new MVNO provider. As a result, there will still be competition in the mobile market. No change. There are also other safeguards the Committee has managed to secure if the States approves the acquisition today and that means real negotiation, at Committee, with the telco provider.

The commitments include reallocating spectrum to allow fair access and quality of networks to other operators. That has been incredibly important. I met with the CO of JT and where possible I am basically a man of my word. I understand the potential dominance of larger players and also the power or the weakness, if you want, of the smaller players.

But I secured, or our Committee secured, from Sure a clear commitment to allow continued access to the masts, which are existing. That is something that our Committee negotiated directly with Sure and they have put – I would not say in blood – basically in writing, that that commitment is there.

Committing to build a 5G enabled network, ensuring better quality network provision and quality for consumers. Upgrading the network with the latest security. A commitment from Sure to ensure that prices are held for existing Airtel customers for a period of 36 months, allowing for RPI increases. All negotiated by elected Members at the Committee, directly with he who wants to transact with another. Not via the GCRA.

Members may ask how the Committee will ensure that these commitments are delivered and it is of course a critical question, which we have actively considered, including in consultation with the GCRA. The policy letter includes a Proposition and this is important, which asks the States of Deliberation to note the conditions on Sure (Guernsey) Ltd, listed in Appendix 1 of the policy letter, by way of licensed modification and asks the GCRA to have regard for those conditions in considering any licensed amendments, if the Authority is not notified of an agreement between Sure and Airtel (Guernsey) Ltd.

In other words, the States will ask the GCRA to have regard to the above commitment when it is reviewing Sure's licence conditions. We are asking you to make a decision today. We are asking you to allow the transaction, to have them for a period of six or seven weeks. That box gets closed, the conditions that come out of this policy letter today get handed to the GCRA, and they are back in action, making sure that they abide to the decision of this Assembly.

So what processes can we follow to reach these conclusions? Under the Island's Competition Law, applications for company mergers and acquisitions are ordinarily dealt with by the GCRA. However, in this case, of this proposed transaction, the GCRA informed the Committee that it was



unlikely to be able to approve the transaction as it would result in lessening the competition in the telco market.

There is a provision in Law for the Committee to consider the exemption under Section 14(1) of the Competition Law, if there are exceptional and compelling reasons of public policy for doing so and the request for the Committee to consider this was received from Sure in October 2022. The Committee considered this option but rejected it, as it is a high bar to demonstrate.

It is also possible, by the way of States of Deliberation agreeing to make specific and time-limited exemptions to the Competition Law, if there was a very good reason for public policy to do so and this is the option the Committee has, by a majority, agreed to pursue and is set out in the policy letter.

There are two gateways to this. One we considered the bar was too high. The lower bar, we thought there are significant policy grounds in terms of investment for us to take this to the States and asking you to make that decision.

In discharging its role, the Committee is required to take into account a broad range of factors, which go beyond those the GCRA is established to consider; that is matters which extend beyond competition matters. To do this, the Committee has followed a process that included consultation with the GCRA, consultation with the JCRA and the Government of Jersey, to understand the wider Channel Island position, commissioning expert advice, consulting more widely with other telecommunication providers, including JT, working with the States' legal adviser to consider the legal issues and the legislative process.

On the last point, the legal advice is set out in paragraphs 5.16 and 5.17. The Committee carefully considered the legal opinion when considering whether or not to proceed with proposing the draft exemption from Competition Law but the Committee concluded that, on balance, the wider economic and public policy benefits of the transaction going ahead outweigh the legal issues raised.

In coming to this view, the Committee noted that some of the competition concerns originally raised by the proposed acquisition have been alleviated by the introduction of the MVNO, with a clear commercial partner now in place, the Co-op, and that therefore there would still be three mobile telecommunications operators in Guernsey after the proposed acquisition, but eventually there will only be two networks. That is a significant difference. Same competition, different brand, just two networks and a better network overall. It still is good news.

Members may have noted that the legal advice suggested that if the States approves the temporary exemption, there may be risks to Guernsey membership of international free trade agreements and a couple of Members have asked for this. The Committee noted that in common with many other jurisdictions in negotiating trade agreements there are a number of areas of public policy where the States of Guernsey has requested that reservations from Competition Law should apply.

The Committee also noted that:

... the competition chapter of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is not likely to apply to Guernsey until 1st January 2027 at the earliest, nearly 2 years after the acquisition will have taken place ...

Now the exemption itself will be strictly time limited. If the States were to approve today, or maybe tomorrow, the exemption would only be in place until 31st December 2024, a little over three months in total. By 1st January 2025, the exemption would have expired. The only difference will be there is likely to be two operators for the meantime and an MVNO coming within a year, no real change.

I will also mention consultation with JT. Discussions I have had with the JTCO have been characteristically open, candid and constructive. The Committee is keenly aware of the importance of JT in our economy, in our community and in providing services to Government. The Committee will work with the regulator to ensure that JT continues to have a level playing field. It is a promise I made, it is a promise I will keep.

We welcome the Co-op's entry into the mobile market, as well, and we look forward to seeing three strong brands with long track records in the Channel Islands, committed to drive better choice for consumers.

And finally, I would like to remind Members that the members of P&R have publicly expressed their support for this policy letter, as have the Chamber of Commerce. The Committee's view is that it has consistently pursued an open and transparent process and is bringing this matter to the States of Deliberation for a final decision. We are not taking this decision lightly. We have spent a long time on this particular policy letter and we genuinely think this is good for Guernsey.

I hope the Members will recognise the acquisition will bring in significant public benefits to the Island and represents a significant and one-off opportunity to create a step change in the level of this Island's digital infrastructure and connectivity. Big investment, step change to the connectivity of the Island and fully complies with our policy aspirations.

If the States approves the acquisition, £10.1 million will be directly invested in the Guernsey infrastructure and £7.2 million on Guernsey's specific radio network infrastructure; £17.3 million in total in digital infrastructure. It will also increase the number of telecommunication jobs in Guernsey as Sure is headquartered here.

Sir, madam, I think the argument is clear, I look forward to – Did I say madam? yes, I did! Sorry. It was a fairly boring speech, I thought I would liven it up! – Sir, Members, I meant, I think the argument is clear. Ultimately it will be your decision and I am sure myself, my fellow Members on my Committee, Members of P&R, will assist us in making the right decision for this Island's future.

Thank you.

**The Bailiff:** Deputy Inder, you have also submitted an amendment to tidy up the draft Ordinance. I propose to take that amendment now, just to get it done and dusted. Would you like to move Amendment 1?

[Amendment 1.](#)

*(a) In proposition 2, immediately after "To approve the draft Ordinance entitled "The Competition (Time Limited Exemption) (Guernsey) Ordinance, 2024" as set out in Appendix 2 to the Policy Letter," insert ", subject to the amendments indicated below,"; and*

*(b) at the end add the following:-*

*"Amendments*

*1. In clause 1 of the draft Ordinance, a. for "Any agreement between entities", substitute "Any agreement between Sure (Guernsey) Limited ("Sure") and Guernsey Airtel Limited ("Airtel"), both of which are companies ". b. after the definition of the Telecommunications Law insert "for Sure to acquire Airtel" and c. in paragraph (b) for "the licensees" substitute "Sure and Airtel".*

*2. In clause 2(1) of the draft Ordinance, delete "between entities", and for "on the relevant licence" substitute "on the licence of Sure".*

*3. In clause 3 of the draft Ordinance, delete "on a licence" and substitute "section" for the word "subsection"."*

**Deputy Inder:** Yes, I would sir.

Members of the Assembly, the Committee is laying this technical amendment at the request of the LRP, something they picked up and quite rightly so. The aim of this amendment is to ensure that, should the Propositions to provide a temporary and time-limited exemption to the Competition Law be approved by the States, that the exemption applies only to the two companies in question. Fair comment.

That is Sure (Guernsey) Ltd, and Guernsey Airtel Ltd. This policy letter currently refers to any agreement between entities licensed under the telecoms Law. This amendment intends to remove any ambiguity whatsoever and mitigate the risk of any other locally licensed telecommunication entities using the proposed exemption.

2620 I think that is fair comment and I am genuinely grateful for the Legislative Review Panel for picking that up. I therefore ask the States to vote in favour of this amendment to ensure that the proposed temporary and time limited exemption applies only to Sure (Guernsey) Ltd and to Guernsey Airtel Ltd and I would commend this to the States and I am thanking Deputy Kazantseva-Miller for seconding it.

2625 **The Bailiff:** Deputy Kazantseva-Miller, do you formally second that?

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

2630 **The Bailiff:** Thank you very much.

I do not see anyone rising to speak on the amendment and therefore I will put Amendment 1, proposed by Deputy Inder and seconded by Deputy Kazantseva-Miller, to you. As you can see from the amendment and as Deputy Inder has said, it is a tidying up to focus attention in the draft Ordinance just to this transaction and I will invite the Greffier to open the voting.

*There was a recorded vote.*

*Carried – Pour 36, Contre 1, Ne vote pas 0, Did not vote 2, Absent 1*

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Burford, Yvonne	None	Helyar, Mark	Dudley-Owen, Andrea
Blin, Chris			Taylor, Andrew	
Brouard, Al				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Trott, Lyndon				
Vermeulen, Simon				

2635 **The Bailiff:** In respect of Amendment 1, proposed by Deputy Inder, seconded by Deputy Kazantseva-Miller, there voted in favour, 36 Members; 1 Member voted against; no Member

abstained; 3 Members did not participate in the vote, so I will declare the amendment duly carried, which means that Proposition 2 has now been amended.

2640 By way of explanation, when it comes to voting, I am going to take three separate votes: Proposition 1, followed by Proposition 2, assuming that Proposition 1 is carried – if it is not then we will not bother with Propositions 2 or 3 – and then Proposition 3 finally.

General debate, who wishes to speak?

Deputy Falla.

2645 **Deputy Falla:** Thank you, sir.

This is one of the more difficult speeches I have chosen to make in the Assembly today. Members will have noted that I have been unable to put my name to the Propositions before us today.

2650 In my Vice-President's role, of course I am pro economic development, pro economic growth and pro ensuring that Guernsey has the best infrastructure to allow it to thrive. But, sir, it has been around two years since this matter first came across the Economic Development Committee table. Two years during which, try as I might, I have been unable to overcome the unease that I feel about the process that we are being asked to consent to in this policy letter, which I have read carefully numerous times to sense check whether I have missed something here.

2655 As a matter of principle, I am uncomfortable with the States intervening in private, commercial business deals unless absolutely necessary and most probably that would be in a time of Island crisis. This situation will set a precedent by implementing a never used before regulatory exemption within Section 14 of the 2012 Competition Law and raises the question, for me, of whether the threshold for implementing it has been met in this case. As such it will be observed externally and potentially impact on the perception of Guernsey in other jurisdictions, some of whom we are obliged, under international agreements, to co-operate with in matters touching on competition.

2660 We have a professional, full-time, consumer focused regulator, whose job is to weigh up these matters and advise the States. We should allow the GCRA, our appointed regulator, for which Economic Development has oversight, to deal with a proposed merger, after considering whether it would lessen competition in the market,

2665 Deputy Inder, rightly, has said that the GCRA has been consulted but this has been *quasi* unofficial and, as it says in paragraph 5.16:

... the GCRA has not examined this proposed acquisition from such a regulatory perspective, it is therefore not known if it would be possible for the GCRA to approve this deal in Guernsey; there has been no failure of the regulatory process, it has simply not been engaged with under the legal framework.

2670 The process being proposed today bypasses the GCRA and makes it a matter of political rather than regulatory judgement. I question whether we, as politicians, are best placed to do that, even if some of us might think we know better than the regulator. To my mind, the threshold for enacting the exemption has not been reached. Therefore, this matter should not be before the States' Assembly. If there is something lacking in the regulatory model then, in my view, that is what we should be addressing, not setting a precedent by exempting the Law.

2675 It is not a surprise that the market is too small for three telecoms providers and those of us who attended the briefing at lunchtime heard a fairly passionate speech from the CEO of Airtel, explaining why they wished to exit the market for financial and strategic reasons. Whatever the States decides, they are leaving.

2680 But there is no reason why Airtel cannot withdraw its service and offer its customers the choice of the remaining two providers, without the States needing to be involved in prescribing the nature of the exit. The fact that Sure is prepared to pay Airtel an undisclosed sum for this slice of the market should leave us in no doubt that Sure is keen to have the business.

We should let the private market operate as designed, by leaving Sure to compete fairly with JT for that business, as and when Airtel leaves. That would most surely deliver a better outcome for consumers.

2685 Sure is a responsible business and the commitments or remedies made by Sure over two years of negotiations are to be welcomed. But I am not convinced that the proposed States' intervention was or is necessary for Sure to bring those benefits to the market. They are the kind of initiatives one would expect from a market leading organisation and a privatised virtual monopoly.

2690 The telco providers are responsible businesses with valuable markets and we have rightly put in place a regulator to protect customers. A high hurdle has been set in the Competition Law, requiring exceptional and compelling reasons to justify any departure from that Law. A standard that we set ourselves. It should only be used in the extreme.

2695 I have observed this process over two years and I believe we are catastrophising the situation in order to make this exemption route more palatable. In this case, I believe the Law is sufficient and adequate and will work to protect the consumer, without us having to implement an exemption. If we want to lower the threshold for Section 14 of the Competition Law, there is a legal process to follow in order to change legislation. If that is what we want to do, that is what we should be debating. If we do not like the legal standard that we set ourselves in 2012, we should change it.

2700 The UK government waived competition requirements to allow the takeover by Lloyds TSB of HBOS, because of exceptional circumstances during the financial crisis, where the nation's financial stability was under threat. Now that is a high threshold. Is that really comparable here? No. It is not as if the network is going to fall over unless this deal happens. If we agree to set the bar or threshold for exemption too low, what is to stop another operator coming in or a business in another competitive sector coming to us next for a helping hand?

2705 There was and is nothing to stop Airtel from withdrawing from the market and allowing customers to choose from the remaining telco providers who will no doubt compete effectively for them. What we are being asked to facilitate if we agree to these Propositions is a price for Airtel and a slice of market share for Sure.

2710 In Jersey, the JCRA has approved the deal but in Jersey, Sure's market share rises from 20% to 48%. Not the staggering 80% we are countenancing today. Dominance is not necessarily a bad thing. It is the abuse of dominance we need to guard against.

2715 One of the remedies negotiated with Sure over the period is the Mobile Virtual Network Operator (MVNO) which does go a little way to retaining consumer choice. But there is no guarantee that the MVNO will come about and, in any event, the Co-op will be buying in from Sure, effectively the wholesaler.

Essentially it provides Sure with a number of additional shop windows across the Island. There is the potential, of course, for an aggressive MVNO –

2720 **Deputy Inder:** Sir, I do not want to do this, because I understand he is my VP, it is a point of correction.

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

2725 **Deputy Inder:** I said in my update, what Deputy Falla said, he said he has got no confidence that it will come about. Today I have said in my speech, this is the MVNO relationship with the Co-op, at today's presentation, Mr Beak confirmed the contract had already been signed. I made reference to that in my opening speech. I am sorry, Deputy Falla, but that is not correct.

**The Bailiff:** Deputy Falla to continue please.

2730 **Deputy Falla:** Sir, that does sound rather like putting the cart before the horse if the agreement has already been signed. There is the potential, of course, for an aggressive MVNO to provide genuine competition but is that really the nature of what we are looking at here. A big play has also been made about the speedier introduction of 5G but there is a view that, with full fibre on offer to every home, consumers will have little of no use for 5G, which in any event is still largely an unknown quantity in terms of exactly what it will bring.

2735

There is very little for the consumer in this deal and what there could be is being overridden by temporary tinkering with the Law.

2740 In terms of paragraph 6.12, remedy eight, which deals with security specification and states that Sure's new mobile network will be built to a higher security specification than any of the existing networks on Guernsey, the States of Jersey this month passed amendments to their telecommunications law, which include a duty to take security measures. That is the right way to go about ensuring that the Island has the correct security safeguards in place, not relying on the goodwill of an operator.

2745 We are told in 6.13 that the remedies are intended to be –

**Deputy Kazantseva-Miller:** Point of correction.

2750 **The Bailiff:** Point of correction, Deputy Kazantseva-Miller.

**Deputy Kazantseva-Miller:** Sir, the States will be bringing hire, vendor re-spend legislation. Sure, through this deal, is committing to actually bring it forward earlier than what the States would be able to do.

2755 **The Bailiff:** Deputy Falla to continue, please.

**Deputy Falla:** We are told in 6.13 that the remedies are intended to be recorded as conditions to be imposed on Sure's licence, but will they be enforceable? We do not know.

2760 In paragraph 6.5, remedy four, it says that Airtel's basic plan tariff will remain available to existing Airtel and new customers for up to 36 months from the completion date. But what is Airtel's basic plan? I tried Googling it and Google does not know. I also asked the Airtel online chatbot and it does not know. But I asked the CEO of Airtel and his response is that there are newer, better plans in place, although the basic plan tariff is still available.

2765 So, is the basic plan tariff still the right deal for consumers? The best deal for consumers? Do these all really add up to good reasons of public policy? I am not sure, with a lower-case s! (*Laughter*) I feel a little like the young boy in the Hans Christian Andersen fairytale, *The Emperor's New Clothes*. Is the President of Economic Development naked? (*Interjections*)

2770 It feels quite unseemly to me that we are being asked to agree to an exemption from the Law to smooth the way for a business deal between two private, commercial enterprises, and I would urge Members to vote against the Proposition.

Thank you.

**The Bailiff:** Deputy Vermeulen.

2775 **Deputy Vermeulen:** Sir, I have followed this merger for some time now and I was a little bit disappointed that we delayed what was a good deal a year or so ago, in support of that merger. Since then, I think it is a great deal for Guernsey. This is a great investment and I do not think we should look a gift horse in the mouth. This is a multi-million pound opportunity for investment here in Guernsey, here and now today.

2780 I and my other colleagues on Economic Development are unanimously in support of this merger. Even our non-voting members, if they had a vote, fully support it. I have no qualms about supporting this myself and I recommend you, as Members, do the same, and give this your full support.

Thank you, sir.

2785 **The Bailiff:** Can I take this opportunity to remind all Members of the States that their devices should be on silent please, when they return to the Chamber?

Deputy de Lisle.

**Deputy de Lisle:** Sir, thank you.

2790 Just to remind Members of the 2012 Ordinance, which prohibits anti-competitive behaviour, including anti-competitive agreements between businesses, and the abuse of dominant position in the marketplace. It also requires certain mergers and acquisitions to be notified to the regulator for approval.

2795 Now to my mind, the States have gradually undermined the regulator this term, actually, particularly over its work on electricity regulation, with rates going up well above GRPI over the last couple of years and of course we have also noted mooring fees going up 20%-40% this year without any regulation.

2800 So the regulator was put in place to protect the consumer and ensure competition. Sir, it was a hard-won battle to get the Competition Law in place and I was in this place during the time and fought very hard through an amendment to have it include mergers and acquisitions within that Law, so that we had a comprehensive Competition Law. That was a battle that began in 2005-06, to bring in the Ordinance on mergers and acquisitions at the same time as the anti-competitive arrangements and the dominant positions, so that the Law was fully comprehensive.

2805 Dealing outside the Law is inviting monopoly power and immediately questions the seriousness of intent and opens the Economic Department that I served in for two terms to criticism of pandering to the corporations. Many people fear the political influence of those with substantial economic power, sir. Anxiety about the concentration of power in the hands of a small number of large businesses is a very real, modern concern and in this case, Sure would pick up 80% of the market share and in fact monopolise the telecoms sector.

2810 As 2.3 states, Competition Law seeks to protect free and open and fair competition, good for fair dealing, business and the marketplace. Good for consumers as it results in lower prices, new products and more choice.

2815 The report states that it has not performed a detailed competition assessment of the transaction. Rather, it goes for a public policy exemption. But Jersey went through the JCRA and in reality there is no reason why Guernsey should not have done the same thing. In fact, perhaps more reason for Guernsey because of its greater concentration that it was providing one telecom operator.

The report states that the proposed transaction will result in a reduction – so it is quite admitted in the policy paper which you have in front of you – in the number of competitors, from three to two, in two markets: the retail mobile market and the wholesale roaming market.

2820 The merged entity would have a market share of 77% by value and 80% by volume, in the retail and mobile market and 73% by value in the wholesale roaming market. It is in the roaming market, of course that we want particularly to be one operator. The transaction amounts to a significant increase in market concentration, no matter how you look at it. The monopoly in the market is harmful to competition and particularly to consumers and there is very little, really, in the Laws that we have, to protect the consumer.

2825 This is one and this is one that we have to value. The benefits of competition in these markets have been a major contributor to Guernsey's high ranking alongside other markets in the mobile market in terms of price and quality. Why consciously substitute effective competition for lack of effective competition, which will in all probably adversely affect Guernsey consumers and businesses in mobile cost, quality and choice through this transaction?

The States have resolved that Guernsey should have competitive law enforced by a competition regulator and the States have committed to maintain fair competition and prevent anti-competitive practices in participation in various free trade agreements.

2835 P&R, in the Government Work Plan of 2023-25, talks up economic competitiveness with a statement that, 'It has never been more critical to maintain the Island's economic competitiveness,' and yet here the Economic Development Committee is conducting an anti-competitive thrust to favour monopoly practice. For this to be going on triggers a lack of confidence in Economic Development to offset monopoly practices. Our international reputation will not help us in the long term.

2840 Finally, this all runs counter to the rule of Law in place and I call on Members to reject it and, in doing so, protect the consumer from an anti-competitive business agreement and of a dominant position in the marketplace. These are difficult times, sir, when our public representatives are wanting to take away the little protection that consumers have in Guernsey.

Thank you, sir.

2845 **The Bailiff:** Deputy Queripel.

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

2850 Due to the fact I have been in dilemma over this issue for several months, I have written two speeches! One for and one against. The one for is so simple I did not really need to write it down because all it says is, for the sake of our community and for the sake of our needing to keep up with the advances in technology in the rest of the world, we really need to support this.

2855 That is all I was going to say because I knew Deputy Inder was going to cover everything else in his opening address. During the presentation at St James' we were presented with a series of bullet points. Bullet point four read as follows: 'GAL has not been able to grow local revenues year on year to generate sufficient cash to meet its current and future investment requirements for replacement of end of life network.'

2860 But of course that is no different to thousands of businesses who find themselves in the same position and many of those businesses will then take out a loan, in order to be able to invest, or accept they have no choice but to exit the market in that jurisdiction or cease to trade.

2865 As far as I am aware, the States have never been asked to help a company sell their business to another company to enable the company exiting to make money and the company purchasing to add to their portfolio. So if we suspend the rules this time, how can we justify not doing that again in the future, as Deputy Falla has already said. It seems to me we could be setting a dangerous precedent.

2870 Or maybe I am missing a fundamental point somewhere along the line. But in my opinion there is something quite immoral about throwing a lifeline to one business in particular whilst other businesses go out of business all the time and we do not do a thing to help them. Several businesses have been forced to cease to trade during the term of this Assembly and we have not done anything to help them.

2875 The largest building firm here in the Island, RG Falla, closed down not so long ago, and the States did not do anything to help them, despite the fact we have a housing crisis on our hands. It would have been to the benefit of the community, surely, had we thrown a lifeline to RG Falla? Benefiting the community is what Economic Development are basing their case on here. They say that on more than one occasion in this policy letter.

The first sentence of paragraph 1.13 reads as follows:

The Committee has therefore considered in some depth the public policy benefits that this transaction will bring to the Island.

2880 In response to that, surely every business benefits our community in one way or another and seeing as we are in the midst of a housing crisis, surely it would make perfect sense to help businesses in the construction industry so they can build all the houses we need as quickly as possible. I am not just talking about suspending GP11.

But we are where we should not be and the Committee are doing their utmost to persuade us to support their Propositions. Apart from Deputy Falla, of course, who is doing his best to persuade us to vote against the Propositions.

2885 As we all know, setting up a business is a huge gamble and anyone who sets up a business knows that. They know they are either going to succeed or they are going to fail. Airtel knew that when they set up here. Of course, it is always a great shame when a business folds, especially if they owe money to other businesses, who do not get that money they are owed. But that is the nature of business and we know that as market forces.



2890 In my 29 years of running my own businesses, I had four completely different things going on. I set up a decorating company, I set up a window cleaning company, I was a complementary therapist, practising reflexology and Reiki, and I also operated a mobile discotheque. I set up every one of those businesses knowing I was taking a huge gamble. I was completely relying on (a) there being a market for all those things; (b) my capabilities and my ability to do what I was setting out to do; and (c) the capabilities and the ability of the staff I employed to work for me.

2895 Now I lost a lot of money in one of those businesses, the complementary therapy business, because I misjudged the market. But I did not go running to the States asking them to bail me out. I had taken a gamble and I had lost. I had to accept that, just like dozens or even hundreds of people in Guernsey have done over the years.

I think it is fair to say in general –

2900 I give way to Deputy Olivier, sir! (*Laughter*)

**Deputy Oliver:** I think that is going to be my new name, here!

2905 Through you, sir, if you could not have shut those businesses down you would have continued in adding to your debt and getting in more trouble. So you were lucky that you could shut them down.

**Deputy Queripel:** I did not look upon it as luck, sir, I looked upon it as my misjudging the market. As I was saying, in general I think it is fair to say every single business that has been forced to close would have been of benefit to our community in one way or another. So why are we being asked to help just this one?

I think Deputy Inder has asked me to give way, sir.

**Deputy Inder:** Deputy Queripel, through you, sir, I am genuinely trying to help because I genuinely do not think there is a straight comparison but if we are going to play anecdotes, let us say that Deputy Queripel's business had not gone too well and it was in a regulated entity and he had staff, he had a great client base and he wanted to move it on, what would happen ... and he had been told, that basically we cannot take those considerations on at all, we are just worried about the size of the market.

2920 Had that business that he had that had not done very well, would he have been grateful if another, larger firm had come along and taken over the customer base, the clients, the yard that it might have been worked in, and allowed that business to come on.

2925 This is not, with the greatest respect, the States coming in with a pile of money. We are just allowing a business to exit the market and just allow them to carry on trading. With the greatest respect, would he agree with me, in one of his distressed businesses, would he have been grateful if someone had just come along, not being the state, a private individual, to come on and sort that business out and allowed him to carry on? Because that is effectively the true comparison.

**Deputy Queripel:** Sir, I cannot answer that because it did not happen. How does anyone know what they would have done in a situation that has not actually happened?

2930 I am just going to have to go back a couple of sentences. As I was saying, in general, I think it is fair to say that every business that has folded in Guernsey, been forced to stop trading, would have benefited the community in some way or another. So why are we being asked to help just this one?

2935 The tragic irony of all this is that a States' Assembly of long ago virtually gave away our telecoms company and that was one of the biggest mistakes the States' Assembly has ever made, along with stopping building social housing, which was another massive mistake. But we cannot do anything about that and we are where we should not be and there is no mention of the whole moral issue anywhere in this policy letter.

So in a vague relation to all of that, we hear a lot of reference to market forces out in our community and sometimes in this Chamber. As we know, every business here in the Island has to

2940 contend with market forces. But it seems to me as though here we are being asked to divorce ourselves from the whole market forces issue on a moral basis –

I give way to Deputy Kazantseva-Miller, sir.

2945 **Deputy Kazantseva-Miller:** I thank Deputy Queripel because I also want to help. The market forces, what would have happened, the market forces are trying to say, I want to buy this business because it makes good business sense for me. That is what market forces are trying to do. But our Competition Law, because it is quite a blank approach, is actually doing the opposite. It is preventing the market forces from happening.

2950 To some extent, our Competition Law is being anti-competitive because it is preventing the market forces to function as they would in a normal manner and this is what we are trying to correct, because the market framework is taking a very bland approach and because it is a unique market where you have got a very small concentration of players, three going down to two plus a new player. That is why it is an absolutely unique situation so we are trying to readdress the issue we are having, where market forces are being prevented from operating in a normal manner.

2955 **Deputy Queripel:** I thank Deputy Kazantseva-Miller for that interjection.

The Members of Economic Development, apart from Deputy Falla, are bound to get up and support their Proposition. But what they have to accept is there are other people who have got other views. So I will carry on with my speech.

2960 It seems to me, as I was saying, we are being asked to divorce ourselves on moral grounds from the whole market forces issue in just this one case and I cannot bring myself to do that because I think it is morally wrong.

2965 Moving towards a close, the reasons why the Committee think we should support the Propositions are laid out clearly in the policy letter. In my speech, I have laid out some of the reasons why I cannot support the Propositions. I could have said a lot more but I am conscious of the fact that a lot of my colleagues think my speeches are too long.

2970 I will just end by saying I completely disagree with Economic Development on this occasion but I still respect their views and I ask that they respect mine in return and any other Member that gest up and speaks against the Propositions. Because there is nothing wrong with someone expressing a different point of view and just because they do that does not mean they have to then be a target for ridicule.

Thank you, sir.

2975 **The Bailiff:** Deputy Gabriel.

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

2980 I am inclined to agree with Deputy Queripel. I had prepared something in my head, both for and against, and listened intently at lunchtime to a presentation by the CEO of Sure Guernsey and sitting alongside the CEO of Airtel and we heard about end of life kits and masts, provision of 4G and the up and coming provision of 5G and potentially 6G and what that would mean for both companies, effectively investment and whether the licence conditions would help or not that investment.

2985 Then we heard about the exit from the market, either in an orderly or disorderly fashion, this merger, if approved would enable an orderly exit from the market, enable Airtel to receive, I am sure, a commercial payment from Sure. But it also would enable Sure to do two things, to absorb some of the masts that Airtel own on the Island but also, more importantly, to absorb up to 20% of the telecoms market, the consumers could move from Airtel directly to Sure.

We heard from Sure's CEO that that would certainly help things with the mast rollouts, the 5G and the 6G, and it would also help out Airtel because they would not have to have a fire sale or go to the market and have a disorderly exit or even mothball their kit.

2990 Then we heard about what licence restrictions might be in place and we have seen that there are going to be seven licence restrictions placed on Sure and then one of the key questions was

how is the consumer protected and how are those licence conditions enforced? The key for me was that the regulator would enforce those.

2995 So why are we here, asking for suspension of the Rules, so that the regulator is not doing his job, but then he will be asked to do his job to enforce the conditions.

Members might know, I have got a dog. I do not bark for him. He does the barking. We have got a regulator, let him do the barking, in my view. From what I have heard, I do not think I can support this policy letter.

Thank you.

3000

**The Bailiff:** Deputy de Sausmarez.

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

3005 I am genuinely undecided as to whether to support the Propositions or not. I can see the case both ways. I have asked a lot of awkward questions of relevant parties and I am still needing to hear the rest of the debate before I decide which way to vote. I am persuaded, first of all, that our market is too small to sustain three mobile network operators. I do not actually hear much dissent of that, I think that is fairly straight forward.

3010 Just as a side note, I do think that, as actually Deputy Roffey alluded to in an earlier part of today's proceedings, the assumption that competition is always going to be viable is not necessarily very accurate in a market our size. So I do accept that three is just too many, in terms of mobile network operators and that two is a sustainable number.

3015 I think there is also an interesting conversation to be had about the triplicate networks that we have and how they add cost, although there actually there is also a sort of resilience consideration thrown into that particular mix.

One of the things that frustrated me, reading the policy letter, was the narrative that this transaction that we are being asked to support by suspending the Competition Law, is what will lead to 5G in Guernsey. I do not think it is a causal relationship in that way at all and actually I think at the briefing at lunchtime –

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**Deputy Kazantseva-Miller:** Point of correction, sir.

**The Bailiff:** Point of correction, Deputy Kazantseva-Miller.

3025 **Deputy Kazantseva-Miller:** Sir, I am really sorry to have to correct Deputy de Sausmarez. I think it is really careful, the detail about the policy letter. I do not think the policy letter is saying this will bring 5G. What this is actually saying is this will accelerate bringing forward 5G faster, with the secure equipment than otherwise would have happened. That is a very important point of difference between what Deputy de Sausmarez is saying and what actually this transaction would mean and what the policy letter is saying.

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Thank you, sir.

**The Bailiff:** Deputy de Sausmarez.

3035 **Deputy de Sausmarez:** I do disagree with that, actually. I do not have the policy letter open in front of me but there are several paragraphs, and if I did have it open on the right pages I would be able to give Deputy Kazantseva-Miller paragraph numbers as to where I think this impression has indeed been given.

3040 Perhaps it is all in the interpretation, but reading it as an objective observer, somebody who is not a Member of the Committee, when I first read through it, that was definitely the impression I got and actually a lot of the benefits that are reported, that are put forward as the benefits of this transaction, are in fact the benefits of 5G. For example, the speeds up to 10 times faster, the reduced latency and all the rest of it.

3045 The policy letter does in several places give the impression that those are the direct results of this transaction where in fact those are actually the benefits that would result in a scenario where we have full rollout of 5G.

I do think it is a point worth making, that was certainly the impression that I got when reading the policy letter, and I am happy to find the relevant paragraph numbers – Oh, I am being offered them by other Members, actually – which paragraph, sorry? (*Interjections*) 1.10, apparently. I am going on suggestions from Members to my left. I can certainly find them and share them later.

3050 As I say, maybe it was an error of interpretation but reading it as an objective observer the first time through that was certainly the impression that I got and I had to ask some questions, which were very helpfully answered by relevant parties, to actually understand and disaggregate the benefits of the transaction, as opposed to benefits of 5G further down the line.

3055 Now 5G, for a start is going to happen anyway. We have heard that indeed from the CEO of Sure, as recently as lunchtime. In fact, it is already happening. JT announced in June last year an £80 million investment across both Islands. I do not know how that is split, into their new network, which will also be 5G enabled. Now obviously before 5G can be introduced, this States needs to agree a framework, it needs to be licensed and the spectrum needs to be allocated, etc. So there are various hoops to jump through.

3060 Also, both the providers are under a legal obligation to de-risk their networks, to put in new networks without high-risk vendors. All these things that are purported in the policy letter as benefits of this transaction are typically things that would happen anyway. I do accept that this transaction may mean that those things can happen more quickly.

3065 When I took the opportunity to ask questions, it was clear that basically the business case comes down to the fact that this transaction would enable Sure to have a greater market share and that would then enable them or give them the confidence, the commercial confidence, to invest more and therefore deliver those benefits faster. But I do think we need to disaggregate some of the benefits that are being bundled up as the benefits of this transaction from benefits that actually are just going to happen anyway. So there is that.

3070 It is certainly not the case that this deal, this transaction is a prerequisite for Guernsey to get 5G. Also, Deputy Falla touched on this when he spoke, I certainly understand the potential. First of all, I think 5G is going to happen and there is also a very relevant point that technology is being developed in much bigger and more influential places than Guernsey and actually our devices and the technology available will overtake events. So I think it is an inevitability, but in terms of making a decision about the speed at which or how much Government focus we put into this, I do think that its applicability in Guernsey, in the Guernsey context, is more limited.

3075 I have taken an interest in 5G for a long time. I do believe the Committee for Economic Development are under a Resolution to bring forward a strategy or a framework by the end of 2020 and I think it would have actually been really helpful had we had that opportunity because I think this is a little bit of cart before the horse.

3080 Many of the touted benefits of 5G are not necessarily as applicable in the Guernsey context. Deputy Inder will get a chance to speak later. I am a bit of a geek and I do read all these background reports where links are provided and where they are not. For anyone that has not had the opportunity to read the PwC report on the global impact of 5G, I will just pull out a few highlights to explain why I think actually the applicability in the Guernsey context is perhaps less than it is in larger jurisdictions.

3085 Healthcare, it is all about speeding up interactions between doctors and patients. We have not quite got to the point where we have got Electronic Patient Records yet so I do not want to get ahead of ourselves in that. But actually many of the benefits, the economic benefits of 5G, relate to things like the use of autonomous drones to deliver medicines and vaccines and tissue samples over great distances to reach disperse for all communities and things. That is clearly not that applicable in the Guernsey context.

3095 I do agree there are some medical scenarios in which 5G is probably really useful in terms of robotic surgery or whatever. I am certainly not putting a downer on it. This is all just to put things in a little bit more of perspective.

I actually think the utility side of things is an area where it could be really useful in the Guernsey context. I am sure STSB would love to introduce smart bins with automatic billing. I am not sure how Guernsey people might feel about it but it might reduce some of the admin associated with the waste operations. Smart meters and things, I think there are huge benefits and potential energy efficiency games. I do not have a downer on 5G at all I am just trying to put it in perspective. We do also have an advantage in Guernsey that, because of the fibre rollout, I think we have a higher starting base. That is something that Deputy Falla alluded to when he spoke.

3105 Some of the consumer benefits, I did giggle trying to think of some of these in the Guernsey context because in a sort of retail context. Actually, when you read the PwC report there is a really interesting snippet, which says, 'Consider a shopping mall, retailers will know which consumers have walked in and be able to push personalised ads or offers to their mobile devices and when a repeat customer enters the store, retailers will be able to improve the shopping experience by guiding that customer to his or her favourite items and even adjusting the pricing to encourage purchase.' I thought some people might think that sounds brilliant, but I think for others that is an absolute dystopian hellscape.

I am just trying to put a little bit of context and perspective around this. I do not think the benefits in terms of industrial manufacturing are particularly applicable in the Guernsey context and even the financial services, which sounds like it should be very relevant to Guernsey, I am not actually sure in a place where we have got a really good fibre connection, I am actually not sure how much additional benefit that might bring because it did seem to be mostly around the retail offer.

3120 One of the things I found most striking was actually the author of that PwC report did say that, 'To realise the technology's potential productivity and efficiency gains, they will need a strategic approach,' so I would take this opportunity to remind Economic Development to please bring that forward as quickly as possible because I think this is a debate for another time and it looks as though Deputy Inder will maybe address that when he replies to debate.

3125 It is really interesting, this, because I can see the case for both sides. Airtel is going to leave one way or the other. I think there is an interesting conversation to be had about, we distinguish between an orderly exit and a disorderly exit but in reality how disorderly would that be, given the licensing considerations.

There are all sorts of different things that I think we do need to consider and I am just trying, through this debate, to weight up whether the benefits outweigh the risks or *vice versa*. One of the things that does concern me is the optics of just suspending a Law that does not suit us for a commercial reason.

3130 I do not think the case has been made particularly convincingly on the strategic level through the policy letter, that was something that I think was teased out quite well in the dialogue between the GCRA and the Committee in the appendices in the policy letter and I do accept that there were iterative improvements in that respect, but I still do not think the strategic case has been particularly persuasively made. I really need to hear the rest of the debate in order to understand how I am going to vote on this.

Thank you.

**The Bailiff:** Deputy Le Tissier.

3140 **Deputy Le Tissier:** Thank you, sir.

This interference by the States in the commercial world worries me slightly. Other people have said it is setting a precedent and I think it is. In my view, we should set the Law (**A Member:** Yes.) and the regulations and let the regulatory body do its job. To me, this is big government and we need a light touch government.

3145 I am glad Deputy Inder is in the Assembly because I have several questions, which I would like him to answer either now, and I will give way, or in his summing up.

On the human side of things, what about the Airtel employees? Are they being guaranteed roles at Sure? I had a look at the appendix and there was nothing in there about that. In the early part of the briefing at lunchtime, and unfortunately I had to leave half way through, I think Sure said there were going to be 85 new positions. Does that include the Airtel people or are they just being thrown out?

Down to some more questions. I am intrigued to know who first suggested this exemption to Guernsey Law? It is a key issue. Did the Economic –?

3155 **Deputy Inder:** I can answer that straight away. As I mentioned, and I know I did a long speech and I am not expecting Deputy Le Tissier to remember it but the first suggestion, we all do this, the first suggestion for the exemption actually came from the GCRA. It was their suggestion to use the exemption.

3160 **Deputy Le Tissier:** Okay, thank you. Obviously, you must have put it to Sure that that was what you were thinking of and they obviously bit your hand off.

If we do not approve this what is going to happen? A disorderly exit? Is that the reason why this is needed. Is that the sole reason? I do not know. Then we have the costs and this was brought up at the LRP. One would have expected Economic Development to have negotiated with Sure that they picked up the tab for the legal drafting but at the moment we are paying for it. That is not a question that is a statement.

To me, it seems the States and some Deputies seem to be in awe of Sure because we have helped them put fibre in, which is something maybe they should have done themselves, and now we are told that if we allow this unprecedented –

3170 Alright, I will give way.

**Deputy Burford:** Sir, I thank Deputy Le Tissier for giving way. I only rise because there seems to be more than one person a little confused. Maybe I am confused and I can be corrected but it would seem to me that people are talking about this exception in the Law in terms of referring to Section 14 but we are no longer pursuing that route. The route that is now being pursued is to actually take Section 13 out of the Law until it rises from the Ashes on New Year's Day and that is an entirely different thing. It is not about using a provision in the Law, it is about simply burying part of the Law for a period of time and I think those are two fundamentally different things so I just thought I would want to highlight it.

3180 Thank you.

**Deputy Le Tissier:** Thank you, Deputy Burford. I am just referring to the title of the policy letter, Temporary and Limited Exemption, so I have been using the word exemption because it is in the policy letter.

3185 I mentioned fibre and now we are promised 5G will come in a lot quicker if we pass this. A bit of ... it is not a parliamentary term so I will just skip over that. Then we had the Huawei equipment business. That is going to be removed. At the briefing at lunchtime, Airtel mentioned that some of the other mergers in Spain and the UK were being approved or being looked at. But the key word is they were being looked at by the regulators. They were not being looked at by the Government to exempt them.

3190 If Sure and Airtel want to merge, I say fine. It is business. No, I am not going to give way again. Let them. I am no fan of the regulator. I think it needs cutting back, but until we do that we should let it get on with its job, (**A Member:** No.) a job we have told it to do. Now that we get on and I am not sure who it was, someone mentioned our international reputation. I do not think it will do us much good when the international community see that we cannot uphold the Laws of the Island by passing an exemption.

I am not going to go on because I am conscious of the time. I will just repeat. If Sure want to buy Airtel that is fine by me. But do not expect the States to bend over backwards to facilitate it. Go through the process.

3200 Thank you, sir.

**The Bailiff:** If no one else –  
Deputy Blin.

3205 **Deputy Blin:** Thank you, sir.

I am in a similar situation to other Members where I am not fully decided. Also, originally, I was not going to be attending due to a trip away but I am here and therefore what I did do is shared some notes with the Members some hours ago and I shared that information first of all with Economic Development to try to get some feedback because I thought that would be a more comprehensive way of doing it.

3210 I have got the feedback back, which I shared with various Members. If you have not checked your emails it is there. I also went along to the presentation that was organised by Economic Development at lunchtime, listening to the two leads from the respective companies. In summary, I do not want to go through all of it because it has all been repeated by others but the two questions that stood out for me, one was a comment by Deputy Inder saying that one of the main reasons for this is the orderly exit, and that I struggle with because, when you exit from a business, besides the consumer protection, there is an orderly there, they have a number of years to go through a process.

3220 So I struggle with that and also another question, I believe it was from Deputy St Pier, asking about what is that structure and it was not known. I am very much a fan of business growth and I can see the true business opportunities for Sure but I am not sure if we should be, as politicians, involved. The only reason we are involved is a decision was taken to bring this to the States on the basis that this will allow, by exempting, several times now we have done this with the regulator, taking away, stopping them from completing their role, for us to be able to undertake or carry out some other action.

3225 Listening to a number of people speaking, I am very much struggling with the fact that actually we interfere with market forces. Market forces want to do it. I think Deputy Kazantseva-Miller pointed out, 'Well, it is because market forces cannot fulfil that is why we do this.' But it just seems topsy turvy. Maybe it is the regulator we have to remove but that is to protect the consumer.

3230 At the presentation today, I had some notes that they had about £42 million investment but from the presentation today I believe – and please correct me if I am wrong on this – they mentioned £60 million investment. But £35 million of that is already committed and spent and also I believe £11.5 million or maybe £12 million of subsidy from us, so there is still £7 million likely to happen regardless of whether or not this goes ahead.

3235 There is this binding commitment to establish a 5G network and again this was raised by Deputy de Sausmarez and the consequences. There is a whole load of detail about the type of network and the establishment or need for the spectrum. I do not want to go into that. It is just the headline points. The enhanced network security, talking about the high risk vendor equipment. There is lots of talk that this will be removed through this merger, all these things will happen. But all these things were going to happen in any case.

3240 There is even the talk of – well, it is how you want to cut it really – the removal of a third of the masts or in fact they acquire the more, less are needed. But all of this was in the process of happening and the managing director of Sure at one point said in response to a question, if this does not go through it will continue, it will just be at different pace or lesser investment. That is all part of the business dealings.

3245 One of the things as well, and I will refer back to the notes that I shared with Members but also got the information from the Department ...

Just bear with me a few seconds, I apologise sir. I will have to leave it but there were a number of points on there I wanted to refer to.

3250 The reduction of competitors from three to two, I do not have access to the figures right now, it is giving a huge monopoly, taking up to 75% or 82%. During the presentation today, it was mentioned by the group CEO of Sure that it was not a monopoly. But it clearly is a monopoly.

3255 And the aspect of the virtual network with the Co-op, that does leave us in a situation, I do not know if it is me or not, but just recently we have had struggles with the Co-op doing some of its business, the shareholding and everything, and now they are just about to take on a large project, purchasing a huge chunk of airtime from the Sure Acquisition if it goes ahead. That is not of business, that just strengthens Sure's position even further.

3260 As I say, I am not against anyone who wants to strengthen their position, I just do not believe that we should be the ones removing or exempting to allow that to happen. The business part is good and listening to some other Members it is the fact that we are kind of distorting the market, distorting the market forces, all through this one act we are taking within the Assembly.

3265 Just a small detail, it was mentioned again through the presentation that there were a lot of small businesses and they want to have a continued service. One of them wanted this, I think it is called an ECIM, when you have a telephone which has got a mobile chip in it and it can be 01481 with their landline number but that is not even a consideration, unless someone again wants to correct me, that it is not even included on the Sure site.

I will give way to Deputy Kazantseva-Miller.

**Deputy Kazantseva-Miller:** I think Deputy Blin is talking about the continuation of emergency service provision on the 2G network, no?

3270 **Deputy Blin:** It is not the emergency and I appreciate that point. This is where you have phones, they look like land phones, but they actually have a mobile card and they are used by small businesses but there is no provision to carry those across. There are quite a number of businesses who still have those in force. As I say, that is a minute detail.

3275 The other one is Airtel has not, in the 10 years or so, it has only had one price increase, whereas Sure has had more increases. It does say that it will hold for three years and then it will have the market force availability to continue changing. Again, it is just going to put a bigger pressure on the consumer.

3280 With respect, just give me a few seconds to find back the other note ... Apologies, I was in the wrong folder. Just the last point, I have mentioned about the market dominance, for the points there, and again some valid answers given back. But they still leave me wondering how to do it.

3285 I talked about monopolies, I gave some information to share with Members that includes other jurisdictions, including St Helena and other places, where there were difficulties from this monopolistic approach. I am just really looking through, if there is anything left. I talked about the price changes of Airtel and I am just trying to see, yes, the MVNO remedy, it is not necessarily a remedy, it has not been used in other cases. In other cases, for example, there is still a debate over a merger of one of the companies and the MVNO is questioned.

3290 Just looking at the last part, the wholesale roaming costs. I have covered most of the points I would like to cover so I think, in effect, the 5G has been mentioned, shared by Deputy de Sausmarez and others, that is something that has to go through in any case and the life safety aspects of Deputy Kazantseva-Miller is also covered, the ECIM support.

3295 In effect, I will just summarise with the disorderly exit, which was very much a strong point by Deputy Inder when he was talking about it. I just cannot believe this is the main one for us to be setting into that situation. What would happen, this is the question I would like to know, if we did not give it this support?

We are not here to try to disrupt and stop a great company like Sure, where we have invested in it to improve us. But on the other hand why are we interfering in this situation, which could have a harmful effect on others and to the actual consumers? (**A Member:** Hear, hear.)

Thank you, sir.



**Deputy St Pier:** Sir, I have a question for H.M. Comptroller, which he might wish to consider overnight?

3305 **The Bailiff:** This will be your speech, though, Deputy St Pier. (**Deputy St Pier:** Ah.) (*Laughter*) If you started to make a speech now and simply asked the Comptroller a question, but you could always alert the Comptroller to the question that you are going to ask, if you are going to speak tomorrow. Would you prefer that? Yes.

**Congratulations –  
Deputy Gollop completing 10,000 days' continuous service**

3310 **The Bailiff:** Well, Members of the States, it is 5.30, so we will be adjourning, but before we go, it has been drawn to my attention during the course of this afternoon that a significant milestone has been reached recently by the longest serving Member of this Assembly. Deputy Gollop, as you will know, was elected in 1997. Those of you who are accountants can do the maths more easily than I can but I am informed that it means that at the start of last week, he completed 10,000 days of continuous service as a People's Deputy. So I would like you to join with me in congratulating  
3315 him. (*Applause*)  
And simply to say that we look forward to the next 10,000! (*Laughter*)  
We will now adjourn until 9.30.

*The Assembly adjourned at 5.32 p.m.*