



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 5th November 2025

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Present:

Sir R. J. McMahon, Esq., Bailiff and Presiding Officer

Law Officers

M. M. E. Pullum, K.C. (H.M. Procureur)

People's Deputies

C. P. A Blin	M. P. Leadbeater
Y. Burford	M. Malik
T. L. Bury	A. D. S. Matthews
A. K. Cameron	L. J. McKenna
H. L. Camp	P. S. N. Montague
G. M. Collins	A. J. Niles
R. P. Curgenvén	G. A. Oswald
H. L. de Sausmarez	J. M. Ozanne
D. F. Dorrity	C. N. K. Parkinson
S. J. Falla	S. R. Rochester
A. Gabriel	T. M. Rylatt
S. T. Hansmann Rouxel	A. S. Sloan
M. A. J. Helyar	G. A. St Pier
R. M. Humphreys	J. D. Strachan
N. R. Inder	L. C. Van Katwyk
B. R. Kay-Mouat	S. P. J. Vermeulen
A. Kazantseva-Miller	S. Williams
M. S. Laine	

Representatives of the Island of Alderney

Alderney Representatives E. Hill and E. A. J. Snowdon

The Clerk to the States of Deliberation

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

Absent at the Evocation

Deputy J. A. B. Gollop (*relevé à 9h 47*) ; Deputy L. T. Goy (*relevé à 9h 47*) ;
Deputy J. P. Le Tocq

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The States' Greffier

EVOCATION

CONVOCATION

Billet d'État XXVIII

POLICY & RESOURCES COMMITTEE

1. The States of Guernsey Annual Budget for 2026 – Debate continued

The States' Greffier: Article 1, Policy & Resources Committee, the States of Guernsey Annual Budget for 2026, continuation of the debate.

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The Bailiff: So we are on Amendment 5 at the moment, Members. Who wishes to speak next? Deputy Kazantseva-Miller.

10 **Deputy Kazantseva-Miller:** Sir, I first of all wanted to compliment Deputy Dorrity for what I thought was a very good technical maiden speech. I think this is an area that is very worthwhile of debate and further caution and consideration in this Assembly. So I am thankful and grateful to him for bringing this amendment so that we have the opportunity to debate this important issue.

15 Why it is important is because it forms part of our financial planning. We are currently providing for a significant potential accrual for a future revenue stream, which is subject to a number of factors and there are emerging factors, emerging on an annual basis, that make this possible accrual uncertain. But we are effectively undertaking our financial planning based on those assumptions. I think it would be prudent that we approach that kind of forecasting and accrual of the same kind of quotient, which is what Deputy Dorrity has been advocating for.

20 Deputy Parkinson made also a good speech and explanation and trying to outline why is Guernsey different to Jersey. One of those four areas is around the successful existence of the captive insurance industry, which we as Guernsey are very proud of, and which is currently forecast to contribute the significant part of the Pillar Two revenues.

Deputy Parkinson said that, well, Pillar Two has been known for four years so surely there would have been plenty of time to plan for this, so that anyone who wanted to move would have done it

25 by now. The issue is that six years is a long time, and just in this year alone there have been two major factors which are contributing to that, again, uncertainty about the behavioural aspects of what Pillar Two and insurance companies and other companies will entail.

One of them, we have discussed, that has been the election of President Trump in the US and their significant change to their tax policy. So that is number one, and potentially quite a seismic international shift that is going to have ripple effects for years to come. We have talked about that, I am not going to talk about it again.

The second one, which also came about in the last couple of months, and that comes from our strategic partners, the UK government, which is about making significant move to onshore and create their own captive industry. That has been announced just in the last couple of months. This is news, and there are very significant efforts to effectively create their own captive industry.

As Deputy Parkinson said, there are quite worrying forecasts about the potential loss to captive insurance due to COVID, which he indicated to be forecast at 40%. Maybe that is just a scenario of an estimate, but these are quite worrying numbers.

What I wanted to say is that there are ongoing factors which make it an evolving landscape in terms of what is going to be happening to industries, such as the captive industry. This is just one of the industries that we have talked about that does make that contribution to Pillar Two. I wanted to bring into this another important consideration, which is how, I think, dangerous it is to be making expenditure decisions based on future accruals and expectations when we have not actually received the revenue from those measures.

I want to bring the Assembly's attention to what was called the core package of measures. So in the last political term we have had multiple tax debates. One of them was around the Funding and Investment Plan in October 2003, where the Assembly failed, again, to come up with any meaningful decisions in terms of taxation. But by significant majority, the Assembly approved what was called the core package of measures. So 35 Members of the Assembly at the time approved that package of measures.

I want to remind Members what that package of measures was, because again that formed a very substantial, important part of the States looking at the Medium Term Financial Plan and the Funding and Investment Plan. That core package of measures included introduction of taxes of transport to be able to raise up to £10 million of revenue; Pillar Two, which was at that time estimated to raise £10 million worth of revenue; other corporate sector taxes, which was estimated to be raising £5 million of revenue; and the cost savings target of £10 million to £16 million.

This was approved pretty much unanimously two years ago. What has actually materialised, two years on, from that core package of measures, which everyone approved but what I think we have actually failed to deliver as an Assembly. The only thing I can really trace in terms of actual tangible decisions and impact is we have had the increases in the vehicle first duty registration, which was led by the previous Committee for E&I and P&R.

Also, I am proud to say that my Committee, the Committee for Economic Development, through an amendment that actually we had to bring to the Budget last year, managed to secure the increase of Guernsey register fees through the annual validation increases, which should come into effect from next year. We have made a shift on those fees for the first time since those fees were introduced in 2007. It was a hard decision to make, but we rallied through. We brought an amendment, we have gone through the process, and we are increasing those fees, which will contribute to increasing the revenue in the Budget by £1 million.

Apart from that, I am failing to see how that whole package of measures, which was supposed to be a critical gap stop between us making the future decisions in tax and making those decisions, which ensured we could progress with capital spending program were made. We have, I think, failed to collectively progress in those measures.

To me, I think our approach to Pillar Two is not dissimilar to that approach the Assembly undertook with approving core measures. We are postponing, we do not have a sense of the actual impact that is not money in the bank. There are many uncertain factors that I think are still contributing to making Pillar Two extremely uncertain. It is postponing the hard decisions that we

should be making through the Budget process, through whatever means, on actually progressing all of those other measures.

80 So bringing back to the amendment; the amendment is actually quite a soft amendment. What it is saying is, first of all, to insert an additional Proposition. So this amendment is not seeking to amend the existing Budget. It is asking us to insert an additional Proposition. So an insertion of proposition is very constructive, let us say, way of working with Policy Letters. You are adding something in rather than you are amending or taking something out.

Then the wording around the amendment first, is to:

85 direct the Policy & Resources Committee to explore ...

It is not saying change our approach to Pillar Two to do this. It is actually asking Policy & Resources to explore whether the approach to revenue potential forecasting for Pillar Two used by the States of Jersey could be adopted by this States.

90 Given all I have said in terms of the uncertainty around Pillar Two, I do not think this is a bad idea to be looking at other options and be cautious in how we undertake our financial planning. For all of those reasons, I think this is actually a positive and constructive amendment for us to rally behind and approve today. So I urge the Assembly to support Deputy Dorrity's amendment.

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

Deputy de Sausmarez: Thank you, sir.

I was not – I am not going to say that bit. I think I will respond just to a couple of points that have been raised in this interesting debate so far. I think there is a little bit of conflation going on. 100 Deputy Parkinson did a great job of outlining his views, but I do have to stress that actually Deputy Parkinson's very optimistic forecasting, for reasons he very well-explained, are not those that are reflected in the Budget. The Budget is already much more cautious than Deputy Parkinson's view, and I think had he been able to finish his speech he might have reiterated that point.

I think Deputy Parkinson's views are very well worth taking into consideration. But just to 105 reiterate, the Budget is already much more cautious in its approach than Deputy Parkinson's ideal. Deputy Parkinson has been magnanimous enough to support the Budget position, even though he holds views that, left to their own devices, he would have put in something less cautious, let us say. So I think that is an important point.

Really, the only other point that I wanted to make was in relation to the comments that 110 Deputy Kazantseva-Miller has just made. She has talked about the UK trying to onshore their own captive insurance industry, and they are currently undergoing a consultation. That consultation has been going for some considerable time, so it is by no means a given that they will do this, and if they do decide to do it, it is by no means a given that it is going to necessarily take effect in the way that is going to materially damage Guernsey's industry.

That is absolutely a risk, but I think what we have to remember is we are talking here about the 115 2026 Budget, and I think some of the comments that have been made by Deputy Kazantseva-Miller and indeed on others speaking on this amendment, relate far more to the tax review than they do the Budget. So I just want to make that clear. I do not think that we are expecting the UK to develop a super successful on-shoring of a captive insurance programme that starts at the beginning of 120 2026 and decimates our industry in that time.

I think all of those comments are absolutely worth bearing in mind, but I do not think they are necessarily as relevant to the 2026 Budget as some of the people may have been imagining. So I just really wanted to bring the focus back to the fact that what we are debating here today is the 2026 Budget, and I think many of the comments are very relevant but they are probably more 125 relevant to the tax review work than the 2026 Budget.

Thank you.

The Bailiff: Deputy Gollop and Deputy Goy, is it your wish that you be relevé?

130 **Deputy Goy:** Yes.

Deputy Gollop: Yes, sir.

135 **The Bailiff:** Okay, we will mark you as present.
Deputy Ozanne.

Deputy Ozanne: Thank you, sir.

Those Members who are part of the Billet Reading Club will note that I was quite surprised to learn of the 40% behavioural change we are assuming as part of our estimates into the Pillar Two. That means that we are anticipating that double any other sector of our most successful sector is likely to leave the Island from next year. I believe that that is highly conservative, as Deputy Parkinson himself has set out.

But in asking the Treasury for more detail on that, and in asking for a calculation of what the impact would be if we moved to just 20% assumption, or 30%, which I thought a third may be more relevant, I was told that that was not possible and that the estimates of Pillar Two would remain in a range of £29 million to £44 million.

It could be that the timescales I gave the Treasury were not sufficient or indeed the work was too complicated, but I had hoped and perhaps assumed as an appetition that there would be a formula that you could just move from a 40% to a 30% to a 20% assumption, but that does not appear to be the case.

The reason I am flagging that is that our ability to explore Pillar Two revenues, our ability to look at the impact of different assumptions, seems actually very minimal. Therefore, I fear that – although it is admirable what Deputy Dorrity is trying to do, I do not believe that we will get much further than the same response I got, which is it will be a range between £29 million and £44 million. So I will not be supporting this amendment, because I do not think we are in a position to do the work. I do not think it will generate any more light. I do think it is something that will be better looked at when we come to our fuller debate on tax.

I would suggest that if you have not looked at the assumptions behind Pillar Two in great detail, you do sit and ponder whether we truly are going to lose 40% of our most successful industry next year when the Chairman and people with contacts in the industry are saying no one is making any plans whatsoever to leave the Island.

The Bailiff: Deputy Gollop.

165 **Deputy Gollop:** Thank you.

Here I am getting late today, but I had problems with my technology in Authenticator and had to get that sorted out, so I can be authentic today.

Deputy Parkinson memorably said yesterday, and we have heard it already today too from Deputy Kazantseva-Miller, that there is a possibility of a captive insurance industry becoming successful in London. I, indeed, went to a conference a month or so ago, which I thought was remarkably cheerful, because all the Guernsey professionals and some London professionals were there; Guernsey Finance co-operated with it. There was a sense that despite the challenges and threats Guernsey is in a good position to compete because of the quality of regulation, the quality of personnel, and indeed the dynamic attitude. Somebody said the fact that we have on Island top lawyers, accountants, actuaries, and so on.

Nevertheless, I think it is a potential threat, as Deputy de Sausmarez pointed out. It is not a certain threat, but it is new. Deputy Parkinson said maybe they prefer Croydon to Guernsey. Well, okay. But having been to a conference in London and lost my phone – lost is the right word, it might have accidentally fallen out of my pocket or got taken on the underground. Who knows? I think

there are advantages to living in Guernsey as well as disadvantages for professionals. I think that is a message of Locate Guernsey.

Not only was Deputy Parkinson, as always, extremely interesting and well-informed, and I did not fully realise how he is involved actually with active chairmanship of these industries. But I thought Deputy Dorrity gave an excellent maiden speech, and lived up to his reputation in the finance sector, and also gave us a lot of food for thought.

I probably agree with some of what Deputy Ozanne has said but come to a different conclusion that if it is – because she is right. I am not part yet of the Billet Reading Group. I saw it one day in the Members' room. But it obviously is an interesting forum for discussion with or without coffee. Their knowledge has Deputy St Pier and other leading Members supporting them, but I do not know. I was on P&R, and I followed this up to a point quite solidly. But I was not aware that there was in-built in the system a potential 40% loss of the captive sector. I will come back to that in a minute.

It seems to me – I am a complete non-expert on this – but we now have three different visions of the way forward. We have the Guernsey model that Policy & Resources and Deputy de Sausmarez and Deputy St Pier are working with, which is cautious, measured, in line, not to build up our expectations perhaps. We have the Jersey way of doing things, which is based on different accounting systems reflecting their slightly different financial portfolio, which Deputy Dorrity would like to see. I think we have to be cautious here because I agree with the views of many Members, and I think those two, the former Vice-President, then Deputy Soulsby, who says you cannot necessarily guarantee money in the bank from what is a well-based prediction. It is not the same, as Deputy Inder pointed out, as a cash deal. But the third vision we had from Deputy Parkinson was that actually things might not be as bleak as that and we may, even if we are unlucky, just lose 10% to 15%.

But I would like to have all of the views because what I think we need as an Assembly is the full knowledge of what is coming in and what is not. Social media has gone mad this morning. That distracted me, too, of people demanding to know the names of the Deputies who did not support the well-put Deputy Sloan-Deputy Camp amendment. Because there is a feeling we betrayed the electorate. I do not go along with that because I support my Committees, but I also never really promised that kind of politics.

But I do think we need to go into next year with our eyes open. The more information we have the better. It should be emphasised, Deputy Dorrity is not demanding a change being made today or tomorrow. He is suggesting, in their wisdom, the Policy & Resources Committee will look at it and want to put it. If they believe that we actually need a portfolio of spending restraint and tax rises, maybe [*Inaudible 9.54.50*], maybe GST, maybe whatever. It is in their interest not to oversell Pillar Two as being a magic panacea.

That is another reason to support Deputy Dorrity because I think the real interest – Deputy Parkinson is hopefully right, that we will not see a massive contraction of captives where we are a world leader. We have sometimes been second in the world, I think we might be third or fourth now. But I think the really important message is sometimes we get stuck because we look at life in the Treasury, public sector point of view, of money coming in. But as Deputy Sloan pointed out on a podcast, actually an essential facet of all this is economic development.

Deputy Inder got a slight rebuke from Deputy Montague yesterday in suggesting just because we spend money on economic development is not the whole story; education and skills, for example, another integral part of that.

But when it looks at this amendment, we need all the information we could get. Because if we have any decline in the captive, even 10%, let alone 40%, it is not the tax loss that will be the biggest problem. It will be the potential loss, unless they are redeployed, of mobile professionals, of the amount they spend in everything from restaurants to taxis and the building sector, in the work that they give marketing professionals, HRM professionals, digital professionals, lawyers, accountants, and everything else. It is the multiplier effect. We really do need to have a focus on sustainable

economic development, where you can get, if you like, bangs for your buck, where you can get career diversity, as Deputy Parkinson reminded us yesterday.

But to do that requires us going into the debate with complete knowledge of what works and what does not work. One of our competitors is the Cayman Islands, for example, and they are very much dependent on import taxes. There are many different ways of looking at this.

But if, as Deputy Ozanne says, we need an evidence-based approach rather than a –then I think that is a reason to support Deputy Dorrity. Because actually, the solution might be that P&R take it away, present the facts as Deputy Dorrity would like to be seen, but also from the Guernsey perspective, also maybe from Deputy Parkinson’s perspective, so that we can judge between the different scenarios and make an optimistic case, a pessimistic case, and a real case. That, I think, would be useful for us when we move forward.

So on that basis, I think we should give the amendment a degree of candour. It adds a tool to the toolbox.

The Bailiff: Deputy Helyar.

Deputy Helyar: Thank you, sir.

It is not a contentious amendment, so I am reasonably confident it will go through. Deputy Dorrity made an excellent speech on a technical issue, which is quite a difficult thing to do. I have a confession to make, I miss Deputy Trott (**A Member:** Hear, hear.) because he would have been the first one to stand up and say, ‘I am an expert on captives’ and anybody who doubts that can look at the declarations of interest to see what our respective interests and chairmanships and other things are with those entities.

I do accept quite a lot of what Deputy Parkinson said yesterday, there is no rush to the door at the moment. But one of the important things about the finance sector is we have no register of people that do not come here to do business. We do not know who does not come and it will affect people’s decision-making going forwards. There is business here which is on the list but is not actually underwriting, it is just in run-off. It has not been underwriting for years. I am a director of several of those companies, which have not done anything for years and years but they have to run off their claims. That business is very precarious.

I think the prospects of anybody going to London to do business at the moment, really there was a lot of hope in giving two hobbits a ring to go to Mordor to throw it in Mount Doom. That is the equivalent risk, really, or that is the kind of hope you would need in order to achieve major international investment in the UK at the moment. Things are not looking good there and unfortunately that means that if it catches a cold, we are going to get it as well eventually. So we should bear that in mind because the winds are not looking good in terms of the UK budget and it will have an impact on our business here. It is having a good impact on people wanting to move to the Island, which is great.

I think this is non-contentious. We may lose business; we may not lose business. The only thing I would say is if Pillar Two is a gentle use of the dagger, then the real twist, the thing that will absolutely really seriously hurt the finance sector, would be a territorial tax system. So, more of that later.

Thank you.

The Bailiff: As I do not see anyone else rising to speak on Amendment 5, I will turn to the Vice-President to make his comments in respect of it, please.

Deputy St Pier: Thank you, sir.

Just in response to Deputy Helyar, I have just had a message from Deputy Trott. The feelings are entirely mutual and he is missing you, too. (*Laughter*) (*Interjection*)

Sir, as Deputy Helyar says, this is an uncontentious, non-contentious amendment. In a sense, nothing will change, whether it succeeds or does not. So P&R are certainly not opposed to it. We are relaxed to it. It makes no difference to the 2026 Budget.

285 I think the debate has been interesting and I think it has been worthwhile having been triggered by the amendment, but I think it has also produced a shoal of red herrings, not least the question of accruals accounting that Deputy Inder was taking a dislike to. As Deputy Parkinson said, the States consciously have chosen to move to an accruals-based system of accounting by the adoption of International Public Sector Accounting Standards (IPSAS) and move away from cash accounting for very good reasons. Accruals, as any accountant will know, is the absolute bedrock of standard
290 accounting practice. If you accrue for one item, you cannot pick and choose and suddenly decide not to accrue for others.

So in the context of this particular item of income, we could be ultra-ultra-cautious and assume that we were going to receive no income at all, to have an assumption of 100% payable change, but that would absolutely be a breach of the accounting standards to adopt that. It is expected that
295 you adopt assumptions, reasonable assumptions, that you can justify and seek to adhere to them.

The Director of Tax Policy has confirmed that predominantly the same approach to estimating has been followed in both Islands, although as we have said there may well be differences in the estimates for behavioural change. There are 40 Members of this Assembly, sir, and there may be 40 different views on what that behavioural change might be that would then feed through in a formula to what the outcome could be in terms of revenue to be received further down the line. Ultimately,
300 P&R have to take a view in order to feed that into the Budget, and that is what we have done.

The tax technical teams are in constant contact with Jersey on this issue to identify what they are doing and why they are doing it. That process of dialogue and iteration long predates the OECD and Pillar Two. That is the nature of the relationship that they have at that officer level and that does help inform the judgements which are made. I think both Islands have taken a very conservative
305 approach to the question of globally mobile sourced income, particularly from, of course, US-headquartered companies, as Deputy Collins has said. Jersey do have a higher proportion of those, exactly as Deputy Collins has said. That is reflected, no doubt, in their assumptions.

In terms of timing, it is also correct that Jersey have first recognised the revenues in 2026, while
310 we did so in 2025, but as others have already said, that is simply a product that our whole tax system is based on a current year basis and their whole tax system in relation to corporate profits is based on a prior year basis. That is not going to change as a result of this amendment. We are not going to suddenly adopt a current year system for one part of our Corporate Tax income stream, namely Pillar Two. So that is just a fundamental difference between the two regimes and we simply need to
315 acknowledge that in terms of the timing of receipts.

The other point which Deputy Dorrity obviously made is that Jersey have made provision to seek to put any Pillar Two receipts into reserves. Well, of course, we would dearly like to do exactly the same if our budgetary positions were in a better position that allowed us to do those reserves. Indeed, that is a part of the fiscal policy framework that we should be seeking to do that. No doubt,
320 as and when we are in a position to do so, we might adopt a similar position as well. I think that just underpins that there is a fundamentally different position between the two Islands in terms of our entire tax structures, which produce a different reserve position for them from us.

I think the other point is this. The reality is that if this amendment passes, I think, as Deputy Inder said, there is not anything more that needs to be done today. It says to direct Policy & Resources to explore. Well, we have explored but, more importantly, we need to continue to explore on an
325 ongoing basis. This is not a single point in time, which the wording of the amendment seems to suggest, that we need to go off and do a separate piece of work. No, the point is that the work has been done but we need to continue to keep it under review. Whether this amendment passes or not, I can give the Assembly the reassurance that that is exactly what we will do. We will continue
330 to keep the matter under review to determine whether the approach we have to potential for costs in Pillar Two is correct or is prudent or is reasonable and we will do that in dialogue with colleagues in Jersey to see if they have adopted a different approach why and whether that should inform our

approach. So hopefully that gives not only Deputy Dorrity but other Members of the Assembly some reassurance on this point.

335 I think in relation to Deputy Ozanne, I am not sure that officers on our behalf said it was not possible to provide the information. I think there is an explanation of the risks and opportunities in the report, which sets out a range of likely outcomes. The reality is, yes, there is a formula if you have a different percentage and different numbers that you get out at the end, but the value of that is not significant in the sense, as I have said, all 40 Members of this Assembly could have a different
340 view on what that assumption could or should be. But ultimately it has to be P&R's responsibility to make a determination and build that into the Budget, which is what we have done and which is what we will continue to do, as I have said, in closing in this debate.

In summary, sir, Deputy Dorrity has set out his reasons, which I think many Members of this Assembly would recognise, for being cautious and Deputy Parkinson set out his reasons for perhaps
345 being a little bit more optimistic. I can and will reassure Members again that these estimates are cautious and the matter will be kept under review. As we need to change any assumptions, that is exactly what we will do. Jersey's position will help inform us in making those judgements.

Thank you.

350 **The Bailiff:** Finally, I will turn to the proposer of Amendment 5 to reply to the debate on it. Deputy Dorrity, please.

Deputy Dorrity: There were issues with my microphone yesterday, sir, and apparently people could not hear what I was saying, and now it has completely died. (*Interjection*) It is working?
355 (**A Member:** Yes.) Sorry.

Sir, I thank Deputies Inder, Kazantseva-Miller, Sloan and Niles for their contributions. A special thanks to Deputy Sloan for seconding my amendment. As Deputy Kazantseva-Miller indicated, captives are a significant contributor via Pillar Two and UK measures to onshore that work is something that we need to keep an eye on. It was worth noting also that it was Biden who initially
360 signed up the US to the Pillar Two initiative and that could be another reason why Trump dislikes it so much.

There is danger of making expenditure decisions on uncertain forecasts, as she mentioned, and she also talked about the core measures piece that was only two years old, where these amounts were forecast as being £10 million in our approach to Pillar Two.

365 As Deputy de Sausmarez pointed out, she thought that there had been some conflation and Deputy Parkinson's optimism is not the basis of the Budget. As she rightly said, this is something we will pick up in the review, I am sure.

Deputy Ozanne and her comments re the 40% behavioural change being highly conservative, and that range from £29 million to £44 million, so for Deputy Ozanne I believe all is rosy in the
370 garden for the moment.

Deputy Gollop, the possibility of captives departing the Island and his assertion that this would not be the case because the quality of the support services and regulation we offer on the Island. He questioned that 40% was being built into the Budget after an increase from £10 million to £40 million a year over a two-year period. Potential loss of mobile professionals, which he pointed
375 out, which I had not considered and which he describes under the multiplier effect.

Deputy Helyar mentioned that there was at this time no rush for the door but we do not know who is not coming, and I thought that was a really interesting point. Thank you. The prospects of moving business to the UK are slight but, as he pointed out, that is unless we introduce territorial taxes and that might change that.

380 Deputy St Pier, thank you, sir; non-contentious amendment and will make no difference to the 2026 Budget. He mentioned red herrings, accrual accounting due to IPSAS being the bedrock of accounting practice. He mentioned that we could be ultra-ultra-cautious but that would be unreasonable and that tax teams are in constant contact with Jersey. He did not mention whether or not the tax teams in Jersey agree with the way we have dealt with this item.

Okay. I felt a bit like a prophet of doom after Deputy Parkinson's speech where he told us all that all is rosy in the garden. As Deputy Inder pointed out, there seems to be a good deal of guesswork and hedge betting behind his 'nothing to see here' comments. I did note that the majority of his assurances were based upon what he has learned from his contacts in the captive insurance industry. While this industry is a lucrative one, I believe the people employed number in the hundreds. Even though we have calculated that 40% of these businesses may leave the Island as a direct result of the OECD tax regime, I was pleased that people employed at a company where he is the chairman advised that no one is planning to leave, at least so long as we are able to avoid territorial tax anyway.

I was heartened to hear that Deputy Parkinson's reading of the United States' non-participation in Pillar Two is that it will have no effect on the efficacy of the new tax globally. As you might imagine, I have read a lot of commentary on this very point during my research. Perhaps he thinks the other nations are going to be content with the US's side-by-side agreement and that it will create a level playing field. I have spent a lot of time watching Trump's negotiating tactics since his second term began. A level playing field has not been something I have seen him settle for up until now. On the contrary, he always negotiates to gain an advantage for America, which means a disadvantage for those 140 countries signed up to Pillar Two. I am pretty sure that they will not take that lying down.

My amendment—please take a look, as some have pointed out—merely asks that we direct Policy & Resources to explore whether the approach to revenue potential forecasting for Pillar Two used by Jersey should be adopted here. I think that we would be remiss if we did not even think that this might be something worth exploring.

Thank you, sir.

The Bailiff: Well, Members of the States, it is now time to vote on Amendment 5 proposed by Deputy Dorrity, seconded by Deputy Sloan. I will invite the Greffier to open the voting, please.

There was a recorded vote.

Carried – Pour 27, Contre 7, Ne vote pas 5, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Curgenvén, Rob	Burford, Yvonne	None	Le Tocq, Jonathan
Cameron, Andy	Leadbeater, Marc	Bury, Tina		
Camp, Haley	Ozanne, Jayne	de Sausmarez, Lindsay		
Collins, Garry	Parkinson, Charles	Falla, Steve		
Dorrity, David	Rochester, Sally	St Pier, Gavin		
Gabriel, Adrian	Strachan, Jennifer			
Gollop, John	Vermeulen, Simon			
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				

Van Katwyk, Lee
Williams, Steve

The Bailiff: In respect of Amendment 5 proposed by Deputy Dorrity and seconded by Deputy Sloan, there voted in favour 27 Members, 7 Members voted against, 5 Members abstained, 1 Member did not participate in the vote, and therefore I will declare it carried.

We will now move to Amendment No. 2. There will be a sixth amendment but we will take that last. So Deputy Sloan, do you wish to move Amendment 2?

Amendment 2

1. "In proposition 20, immediately after "Appendix V" insert the following:

", subject to the following amendment:

To delete the table on page 127 entitled Parliamentary Committees and replace with the following:

Scrutiny Management Committee

2024 Actual £'000s	2025 Original Budget £'000s	2025 Forecast £'000s	Expenditure by Category	2026 Budget £'000s
545	509	522	Pay Costs	545
			Non-Pay Costs	81
			Total	626

Deputy Sloan: Yes, sir. Thank you, sir.

I am grateful to the Policy & Resources Committee in that they are not opposing this amendment, as they communicated to us all yesterday. Given that, I will be very brief, sir.

Sir, this amendment is just about something simple and important, maintaining the clear independence of Scrutiny. What we are proposing, myself and the Vice-President of Scrutiny, is that this Budget should continue to appear as a separate identifiable cash figure, as it always has. So over the summer he and I made a decision to combine the Scrutiny budget with that of the States' Assembly Constitution Committee. We understand this was intended as an administrative adjustment and that the lack of consultation and the absence of notification was just an oversight and not deliberate. The practical effect is the Scrutiny Panel would no longer appear to have its own lines in the Budget and matters of oversight, visibility and access.

So our cash limit remained exactly what was forecast for 2025, £66,000. We are not seeking additional resources, that was in one of the things. We are simply asking that Scrutiny validation continues to be shown clearly and transparently so that the public and this Assembly can see the resources devoted to holding the Government to account.

Independence is not only about the work Scrutiny carries out but to that being seen to be independent. A distinct and visible Budget line supports that perception and helps to maintain confidence in the checks and balances that underpin good governance. This amendment does nothing, sir, but it preserves something important; clarity, transparency and trust in the independence of Scrutiny. Sir, therefore I invite Members to support the amendment, not because it changes spending but because it maintains the visibility and integrity of the Government.

Thank you.

The Bailiff: Deputy McKenna, do you formally second Amendment 2?

Deputy McKenna: Yes, sir.

The Bailiff: Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

455 As the President of SACC, the other parliamentary Committee that got lumped together with
Scrutiny, I thought I should just rise to say it changes nothing but the visibility is really important.
Because up until this time SACC has not had its own budget. It has now supposedly got its own
budget, but with this amendment it would leave SACC with a non-paid budget of £26,000, which is,
frankly, quite small for doing all the things that we need to do to support Members and also do the
important work which requires us to make sure this Parliament is working efficiently and effectively.
460 So I will not be opposing this amendment because it does give clarity, but I do believe that
SACC's budget should be larger.

The Bailiff: Deputy Kazantseva-Miller.

465 **Deputy Kazantseva-Miller:** Sir, I have no problems with the principle of making sure Scrutiny
is mentioned as part of the parliamentary Committees. The issue I have, I think there is a technical
problem with this amendment and I am surprised that the President of SACC effectively also has
not picked it up, and that this is not being opposed by the P&R. As Deputy Hansmann Rouxel
mentioned, parliamentary Committees is not just Scrutiny, it is Scrutiny and SACC. So if you look at
470 the table on page 127 that this amendment is trying to replace, it indicates the combined budget
of the parliamentary Committees. So the net expenditure by category of those two combined
Committees is £730 for 2026. The amendment is proposing to replace the table just with the budget
for Scrutiny, but it is effectively omitting the whole of the Committee of SACC. So, effectively, we
are wiping SACC out of this table, and while the overall net expenditure of the States, which will be
475 under Proposition 20, is not affected, the details of that expenditure which are outlined on this page
are effectively deleting SACC from the existence in this Budget. So unfortunately I think this is a
technically flawed Budget—

Deputy Sloan: Point of correction, sir.

480

The Bailiff: Point of correction, Deputy Sloan.

Deputy Sloan: I do not believe so, Deputy Kazantseva-Miller. The Budget still has the
parliamentary Committees elsewhere. It is effectively, if you like, transporting Scrutiny's budget
485 independent of this. There is a clarity in that Budget. If you read it, it does it make that change
further up the Budget.

Deputy Kazantseva-Miller: Sir, I am afraid I still do not think this is correct because the
proposals are specifying to delete the table on page 127, which I have outlined, which indicates the
490 combined budget for the two Committees. So if that table is deleted, then SACC is no longer
represented in this table. So my view is that unfortunately this amendment is technically flawed.
I think an additional amendment could be brought forward, or perhaps that is a note that P&R
could take with the following Budget to make sure in a future Budget that there is better clarity on
representing which parliamentary Committees are included in that Budget. But as it stands, unless
495 I am getting something fundamentally wrong, I cannot support this amendment because I think it
is technically flawed.

The Bailiff: Deputy Gollop.

500 **Deputy Gollop:** I have not really gone into the technicalities to that degree. I have a little bit of
interest in it in that I sit on the Scrutiny Sub-Committee and I stood unsuccessfully against
Deputy Sloan. The better person won, I think. I also sit on SACC. I would point out – I do support
the amendment with one or two reservations, which I will come to – that SACC has not had the

budget until now and, therefore, the work that we need to do with surveys, with induction, with training, has not really been accounted for. It is unbelievable that a Committee that is so important to maintaining our rules, our disciplines with debate, our focus on being active and engaged and efficient parliamentarians, has been neglected. Mind you, the Transport Licensing Authority does not have a budget either but that is another thing.

We do need money, but I would argue that SACC over the last few years is incredible value for money because we really do a lot with very little budget. But, of course, many of the officers who support us – not many because it is a very small team – work in other jobs, too, in a sense, obviously the States' Greffe and the Royal Court as senior officers across the Assembly. I admire the transparency of the Scrutiny approach. I think we need to know how much we spend on Scrutiny. I know it is a lot less than in Jersey and not just relating to our population or economy. You are talking of a quantum leap less, and the Isle of Man. So Scrutiny potentially is good value for money as well, yet it was half a million. We had a really good debate on measuring our budget but – maybe Deputy Sloan can correct me, probably will – I think it is an increase of something like 18%, albeit the budget was underspent last year.

I used to think in the past that we could get even better value from Scrutiny because we came down to what were usually interesting monthly public reviews on Facebook, and we also had key reports on the contracts on Agilisys and a few other areas. I remember when I was on Scrutiny we also did reviews into everything from truancy to the Dairy. I think Scrutiny can do more. I think the general feeling at the moment is Deputy Sloan, Deputy McKenna, Deputy Camp have got off to a brilliant start and will be effective, and the fact that the Public Accounts Committee has been revitalised with maybe more to come is a very positive sign. So I think Members would rather spend a bit more and get much more that informs debate, not just informs debate in the public and informs us, but maybe contributes to better governance and saving money with the analysis and the bright light of day.

So I will support this but it has to be said there were times over the last decade when it did seem that we were paying quite a lot for Scrutiny, bearing in mind that used to be done by Members like me just asking questions in the States and having ad hoc committees. So hopefully people bear that in mind.

The Bailiff: Deputy Burford.

Deputy Burford: Thank you, sir.

I think the point that Deputy Kazantseva-Miller raises does bear some investigation. But looking at the Budget Report, Proposition 20 is the one that simply says to approve the Committee net expenditure, referring us in fact to paragraph 621 and indeed the table overleaf, table 11, where the £730 combined budget is set out. So I think that this is not actually a problem because I think it is fairly straightforward that with Scrutiny taking the £626, then the residual amount is the amount that is due to SACC. So hopefully we will not need to do any more paperwork on this one.

Thank you.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

Thank you for that clarification from Deputy Burford but I am still a bit confused as to why there was not a separate table with SACC on it as well. Is there a reason? I am prepared to give way if somebody will let me know why there was not a reason.

Deputy Burford: Thank you, Deputy Leadbeater.

It was a slightly long and drawn out thing where SACC had not had a budget previously. It had been included under the Royal Court and it was not always clear to see what had happened. So it was decided to take that budget out of the Royal Court, but instead of it being put as two separate

Committees, which would have been both of the Committees' preference as it being SACC and SMC, it was brought together under a heading of 'Parliamentary Committees'. I think both Committees are quite clear that they feel the budgets should be separate like they are. We do not have an aggregate budget for principal Committees. So I think everybody is on the same side of this and perhaps there is not much more to be said, hopefully.

Thank you for giving way.

Deputy Leadbeater: I thank Deputy Burford for that.

I would be interested just to hear from Deputy Sloan the reasoning behind not including a separate table for SACC because I understand the history of it now. Is that just an oversight or is it that it just was not needed because of the reasons articulated by Deputy Burford?

Deputy Sloan: A combination of both. One was, not to go into the chronology of the exchange of letters and notifications, but actually as of last Tuesday we received an email from the finance officer saying that our budgets were still in the process of being developed and it is like well, they published it weeks ago. But it would also be not to presume in terms of voting for somebody else's budget. So what was put in place after discussion with the States' Greffier was just to amend that particular appendix and, as Deputy Burford said, what happens is you have the table which is on page 55 and the parliamentary budget, which is £730, and the residual defaults to SACC if we just clarify that our budget is the same year on year. And SACC advise it has never had a line in the Budget and that remains on paper, I am afraid, so that the remaining money does default, and we did confer with officers on those points, which is why he and I have not sought to oppose them. One was it is all very complicated and rather presumptive to try and identify somebody else's budget, we will just do this particular amendment and, that way, it is quite agnostic and not contentious, we thought. But actually everyone agrees that we ought to have separate lines.

Thank you, sir. *(Laughter)*

The Bailiff: As I do not see anyone else rising, I will turn to the Vice-President to make his comments on Amendment 2, please.

Deputy St Pier.

Deputy St Pier: Sir, I think the only point really to respond to is this question of exactly what Proposition 20 is doing and I think, as has been identified by others, it is approving the sums in paragraph 6.31. That does not change the alteration to appendix 5 on page 127. It simply divides the calculation in relation to Scrutiny in the way that others have described. So, hopefully, while Deputy Kazantseva-Miller may not like the answer, that is the answer. I will give way.

Deputy Kazantseva-Miller: I feel in agreement that effectively SACC is missing and it is necessary perhaps an updated amendment that includes SACC on the table and, as I said in my speech, the overall Budget is not being changed but what is missing is the outline of what the SACC budget is. Would perhaps he not be minded to bring his own amendment to actually just clarify that Parliament Committees are composed of the two, and I think that would be really therefore the correct way to do it?

Thank you.

Deputy St Pier: Thank you, sir, for Deputy Kazantseva-Miller's comments.

No, P&R is not minded to do that. It is *de minimis*. I think it is clearly understood. It is a voting process. So, I think, we are happy to support the amendment at the moment.

The Bailiff: Finally, I will turn to the proposer of Amendment 2, Deputy Sloan, to reply to that short debate.

Deputy Sloan: Sir, I do not really feel I need to add anything to that. As I say P&R supported the amendment. Myself, Deputy Burford, Deputy Hansmann Rouxel and Deputy St Pier all understand this. We have had support so there is no confusion on that point. I propose the amendment and maintain the independence of the Scrutiny function to this Assembly.

The Bailiff: Members, it is now time to vote on Amendment 2 proposed by Deputy Sloan and seconded by Deputy McKenna and I will invite the Greffier to open the voting, please.

There was a recorded vote.

Carried – Pour 36, Contre 3, Ne vote pas 3, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	not	Absent
Blin, Chris	Bury, Tina	Burford, Yvonne	None		Le Tocq, Jonathan
Cameron, Andy	Camp, Haley	de Sausmarez, Lindsay			
Collins, Garry	Ozanne, Jayne	Montague, Paul			
Curgenven, Rob					
Dorrity, David					
Falla, Steve					
Gabriel, Adrian					
Gollop, John					
Goy, David					
Hansmann Rouxel, Sarah					
Helyar, Mark					
Hill, Edward					
Humphreys, Rhona					
Inder, Neil					
Kay-Mouat, Bruno					
Kazantseva-Miller, Sasha					
Laine, Marc					
Leadbeater, Marc					
Malik, Munazza					
Matthews, Aidan					
McKenna, Liam					
Niles, Andrew					
Oswald, George					
Parkinson, Charles					
Rochester, Sally					
Sloan, Andy					
Snowdon, Alexander					
St Pier, Gavin					
Strachan, Jennifer					
Van Katwyk, Lee					
Vermeulen, Simon					
Williams, Steve					

The Bailiff: In respect of Amendment 2 proposed by Deputy Sloan and seconded by Deputy McKenna, there voted in favour 36 Members; 3 Members voted against; no Member abstained; 1 Member is not participating in the voting. Therefore, I will declare Amendment 2 carried and I will ask the Sherriff to circulate Amendment 6, please.

Does every Member have a paper copy of Amendment 6? Deputy St Pier, you are proposing Amendment 6. Would you like the Greffier to read it?

[Amendment 6.](#)

To insert a new proposition:

"1a. To direct the Policy & Resources Committee working with the Committee for Housing, as part of the Guernsey Housing Plan, to consider changes or alternatives to Mortgage Interest Relief, including other forms of tax relief, to better assist first time buyers and homeowners in greater

need of financial support; and to revert to the States with recommendations no later than the 2027 Budget Report."

Deputy St Pier: No, I will read it, sir. Thank you.

630 It is to insert a new Proposition for the benefit of those listening outside which is 1a:

To direct the Policy & Resources Committee working with the Committee *for* Housing, as part of the Guernsey Housing Plan, to consider changes or alternatives to Mortgage Interest Relief, including other forms of tax relief, to better assist first time buyers and homeowners in greater need of financial support; and to revert to the States with recommendations no later than the 2027 Budget Report.

635 Sir, first of all, I should apologise to Deputy Goy who, as the Rule 4(1) information notes, he was not one of those with whom I consulted on behalf of Policy & Resources overnight having reached out to the proposer of the amendment Deputy Matthews and the Committee *for* Housing. But I should emphasise that Deputy Goy, and indeed other Members of course, input into the work that will follow if this amendment succeeds, and will of course be most welcome, with Deputy Goy's contribution to that.

640 I should also just, in opening, like to thank both Deputy Matthews and the Committee *for* Housing who I think were informally consulted among themselves last night and I thank Deputy Williams for leading that and providing confirmation that the Committee is happy with this amendment.

Sir, this amendment is a direct product of the debate on Amendment 4 from Deputy Matthews and Deputy Goy yesterday; successful Amendment 4.

645 I should emphasise that this amendment does not change that decision which the Policy & Resources Committee obviously accept as the will of the Assembly. However, it picks up the thrust of the debate which is we really need to be thinking about and directing support to those who most need it, and first-time buyers are one group, but you will see that the language obviously refers to homeowners in greater need. There may be other groups as well who need some consideration to be given to them.

650 It is a pretty broad terms of reference and, indeed, includes changes to mortgage interest relief which was a suggestion from Deputy Matthews, and so it is not presuming the abolition of that but specifically it is allowing consideration on it. This is work that should already be effectively part of the Guernsey Housing Plan Assistance for first-time buyers.

655 However, I think to anchor a direction on the back of yesterday's debate will ensure the urgency that is given to this work to enable recommendations to come back this time next year as a positive product of the decision yesterday. I hope it is an entirely uncontroversial amendment, given the support of the Committee *for* Housing and certainly the proposer of the amendment and Deputy Goy, of course. I hope therefore the Assembly will rapidly move to this amendment.

660

The Bailiff: Deputy de Sausmarez, do you formally second Amendment 6?

Deputy de Sausmarez: Yes, sir.

665 **The Bailiff:** Thank you.
Deputy Gabriel.

Deputy Gabriel: Thank you, sir.

670 I am a little bit confused, sir. Two things are confusing me. The first is that it is my understanding that P&R are mandated to deliver on tax matters and, second, that the Housing Committee are mandated to deliver on housing issues. Surely this amendment is not necessary and that P&R could react to the result of the debate yesterday and the amendments that were successful and take it on themselves to consult with Housing and deliver taxation and housing methods and measures for the populus that were identified yesterday and the issues that were identified yesterday.

675 I do not see that we need a resolution of the States to make that happen and, yet, here we are with this in front of us. To revive Deputy Queripel, I am going to quote a song lyric of Del Amatiri. Nothing Ever Happens. I am certainly not angry from Manchester but I am certainly confused of St Sampson's wanting to know why this is in front of us.

680 The second query I had was when Deputy St Pier gave way to me yesterday around the cost to the States. My understanding was that the accumulative costs and ongoing costs from 2029 would be £3.5 million per annum but in actual fact in 2026, as was in the explanatory note of Deputy Matthews's amendment, it was £600,000 and yet we have £3.5 million in front of us. Those are my only two comments on this amendment, sir.

Thank you.

685 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Hopefully, I am not too confused because I can see there is possibly a bigger game plan. (**A Member:** Hear, hear.) Deputy Matthews did extremely well to win yesterday. We all thought he might but I think he exceeded expectations with the vote and, in a way, it was a reversal of a decade of policy that we have had from Policy & Resources and its predecessor, Treasury & Resources.

690 Deputy Matthews, actually I must re-read it, the Parr Report he mentioned, which was published by the Housing Committee in the days of the late Deputy Jones and Deputy Brehaut and so on, and Deputy Dorey. It was regarded almost as a bible. It created the Corporate Housing Programme. I believe it was part of the process that eliminated the old cadastre system, which I think we regret losing now in many ways of rent control.

But it is a typical consultant's report, and we have had a few more of those especially in Housing, done by experts who look at Wales or Scotland or Northern England or London or somewhere else where there is a completely different mindset and culture and we can sometimes lose what we want to achieve through those supports and political appearance.

695 Regardless of whether it is desirable to encourage social housing, which it is, and increase the stock, we could never have delivered on the Parr Review recommendations without a 1970s-style programme of building large quantities of social and other housing on the Island, and there really was a building boom. Because we did not do that, we could not move to a more European model where people have had perhaps more of a choice between renting and buying, and that is one of other reasons we have a housing crisis today.

700 Deputy Matthews and Deputy Goy successfully almost turned the juggernaut around by not only saying, 'We stick on 3,500' but saying that we will continue indefinitely really with mortgage tax interest relief. This amendment, to a degree, contradicts that because it has the nuance – I think I will abstain from it actually because I do not disagree with it, but it implies that we will potentially, after due consideration, flip-flop on the decision we made yesterday; possibly.

705 I agree with the targeting message mainly and we do need that analysis. It is going to have to work quite fast to get back here within a year for the Budget to better assist first-time buyers and homeowners but, in a way, it is inconsistent. Not only in yesterday's vote but even now, this Budget and what we do is really untargeted. Family allowance is untargeted beyond the relatively affluent.

Another example would be we are increasing tax allowances and Jersey gave over £20,000 in a different system. We are going up near to £16,000 but that is really costly because it applies equally to people on £75,000, £80,000 a year really as it does to people on £25,000 or £30,000. If we really want to target things more, actually the GST Plus I think is an example of better targeting, but it does seem to me inconsistent.

720 I agreed with Deputy Burford when she said it is sometimes unwise to pump money into first-time buyers' stamp duty because it can just inflate the pieces. There is a hint of that here. Deputy St Pier knows he is right on that, that if you just – the mortgage tax relief is factored in to higher prices. I get that point as well.

I am sure this amendment will go through but I think it is up to each and every one of us and the wider public and professionals in the community to listen to it and input their views on how best we can incentivise home ownership for those who can afford it. Also to make it easier for the state to be a facilitating state, an enabling state, and not a state that is trying to pigeonhole people into either no accommodation or accommodation they do not really want that does not add to their family value.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

I am going to be supporting this amendment. As I have said during the debate on Amendment 4 yesterday, I could not support Amendment 4, but I understood the concern that we were not supporting people to get on the property ladder and trying to give some encouragement to support first-time buyers, so I am certainly going to be supporting it.

It also references changes or alternatives to mortgage interest relief, which is interesting, or other forms of tax relief. This goes further. When you are looking at supporting first-time buyers and help for those getting on the ladder, Amendment 6 goes a lot further towards doing what Amendment 4 would do because Amendment 4 is that blanket approach that we spoke about.

The debate yesterday was not about supporting those who are already on the property ladder. It was about trying to support people who are not on the property ladder. If we look at the reasons why jurisdictions have phased out mortgage interest tax relief, number one is because of equity, as it tends to benefit higher-income homeowners more than renters or lower income households.

In many cases, renters receive little or no Government relief, as was said I think by Deputy Ozanne yesterday, so the subsidy goes disproportionately to those who already own property. For instance, in Jersey, it was noted that households who could not afford to buy were effectively subsidising homeowners via MITR. This is from AI, by the way, I got this. *(Laughter)*

An independent tax study that says since MITR fails to raise homeownership rates and contributes to higher house prices where housing supply is constrained like Guernsey, removing or capping it would improve progressively, i.e. better targeting of the tax spending. This is what we said yesterday. I stood and I said I could not support Amendment 4, but if it was more targeted and if an amendment came forward saying pretty much what this says, I could support it.

I could go on through ChatGPT. It refers to Jersey because it basically just scrapes information from the debate that Jersey had about it and it is quite interesting to see. But it is certainly relevant to us because it is more of a burden and more of a problem because it is more focused in areas where you have a restricted amount of housing, and we have a restricted amount of housing.

So these reasons are more pertinent to us why we have to take notice of it. Just by a blanket approach and saying, 'We will leave it in the correct place', we simply cannot do, but we can understand the reasons why a lot of people supported the amendment yesterday because we want to target those. We want to provide assistance to those who need it and I really think Amendment 6 does that, so I would encourage Members to support Amendment 6.

The Bailiff: Deputy Ozanne.

Deputy Ozanne: Thank you, sir.

I, like Deputy Leadbetter, really welcome this amendment and for very similar reasons. I have too voted against Deputy Matthews' amendment yesterday reluctantly, but I believed it has structural unfairness baked into it and yet this goes straight to the core of my issue of looking at how we help those who are really struggling into what their dream would be, which is owning a property.

I think it shows a responsiveness and a new way of working and I feel it is on P&R to respond to both the debate, the move in the Chamber and indeed the needs of society, and I welcome and thank Deputy St Pier for bringing it. I am glad it is time limited. I think it is swift and that is what is needed.

My only request was whether actually it would look at perhaps a light touch working party. There are many of us who have manifesto commitments, myself included, to look at vehicles that create deposits for first-time buyers and I would be saddened if it was just conversations with HSC and yourself so it has not been necessary. So I strongly welcome this and I hope that we will all embrace it.

I think it recognises one of the biggest challenges we have on the Island, which is how we keep young people here in particular, and those not so young who want to make their homes here, and cannot afford to. As I stressed yesterday, my rent over here is five times my mortgage in the UK. Five times. That is absolutely unsustainable and we need to look at new ways of addressing that.

The Bailiff: Deputy Goy.

Deputy Goy: Thank you, sir.

I just wanted to, in response to Deputy Leadbetter, say that without Amendment 4 being carried, there would not be an Amendment 6 today. So I think Amendment 6 is a result of Amendment 4 being carried and forcing P&R to actually rethink this, so that is one point I just wanted to clarify.

Thank you.

The Bailiff: Deputy Inder.

Deputy Inder: Thank you, sir.

P&R can be a bit slippery. *(Laughter)*

A Member: Indeed, coming from you.

Deputy Inder: I think what they overnight have gone home and reflected on the view of the body of the States. It is worth reminding ourselves that I do not believe the proposer and the seconder for this amendment actually voted for Amendment 4. But when Deputy St Pier opened up, he said this does not change the decision. Be careful because it could change the decision. We have not decided anything yet. It is a substantive Proposition after general debate on where the decisions are actually made, so this is not fully aligned yet.

So I have one question for Deputy St Pier who may be able to answer the question or Deputy de Sausmarez. When we do get into general debate – as he said this does not change the position – could he confirm that both Deputy St Pier and Deputy de Sausmarez, when we get to a general debate, we get to the substantive Proposition and we have now inserted Amendment 4, will they be supporting Amendment 4?

Thank you very much.

The Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, sir.

I thank Deputy St Pier for sending me some late night messages about the potential for this amendment, which I have had a look at, and my reaction was very similar to Deputy Gabriel's in that the direction to P&R and the Committee *for* Housing I think is largely superfluous. (**A Member:** Hear, hear.)

But P&R can do this without having a Proposition to do it and, in fact, in my speech yesterday, that was something that I anticipated that P&R might want to do and look at other ways. If they wanted to, they could support the housing market and support people's ability to be able to buy on the housing market. As I said though in my speech, I think there is a role for mortgage income tax relief.

I am entirely aware that the expert view is that and, as Deputy Leadbeater will have found, if you ask ChatGPT, that is what you will find. The OECD has produced documents saying that they do not

830 think that mortgage interest relief increases home ownership. There are lots of expert advisers you will find who say, "Well, why are you subsidising home ownership?" and quite often the advice will be – if you look at the UK context, they will say, 'Why is the UK so obsessed with owning your own home? Why can you not be more European?'

835 They look at countries like Germany where everybody rents until they are 45 and nobody thinks anything of it. Why do we not be more continental in our approach to housing like that? That has been the expert advice for some time, but it is very generic advice, and there are all sorts of reasons why you might want to have an equivalent of mortgage income tax relief.

One of those was very strongly illustrated when it was placed on pause by the previous P&R with Deputy Helyar for two years in 2023 and 2024, and that was very sensible in my view.

840 **Deputy Inder:** A point of order, sir.

The Bailiff: A point of order, Deputy Inder.

845 **Deputy Inder:** Just briefly, sir. I am just wondering if this is a rehash of Amendment 4 rather than speaking to Amendment 6.

850 **The Bailiff:** So a point of order is a breach of the Rules of Procedure. I am not satisfied (*Interjection*). It is a point of order is a breach of the Rules of Procedure. I am not convinced at the moment that Deputy Matthews is straying out of what he is entitled to say. He is drawing attention, as I understand it, to the differences between Amendment 4 and the current amendment, so please continue, Deputy Matthews .

Deputy Matthews: Thank you, sir.

855 In fact, what I was referring to was the section of the proposed new Proposition regarding changes to mortgage income tax relief as opposed to alternatives to mortgage income tax relief. The point that I was at was referring back to the previous P&R under Deputy Helyar where it was thought that a phasedown was paused and that was really a countercyclical move because interest rates had moved up a lot in the UK. Those interest rates really are set by the Bank of England with regard to the situation in the UK.

860 They do not take Guernsey into account, and it might well be unhelpful for us when that happens, which I think was the case in 2023 and 2024. We do not have a Bank of Guernsey. We cannot set our own rates, but if we do have mortgage income tax relief, you can make a change there. So if you entirely abolish the tax, then you lose that ability; so I think there is a role for keeping mortgage income tax relief.

865 I think there is also a role for keeping some certainty into the process of buying a property. I think there is a role for it. I think that P&R and the Committee for Housing of course should be looking at what that role is and, for that reason, I am able to support this amendment. But I think that I would like to continue to make the point that I think mortgage income tax relief is something that is worth, in some form, retaining in the long-term.

870 I know that that is a challenge to the conventional wisdom but I think it is a good challenge. There is, I believe, a very good reason why many countries around the world have retained it and I think it is worth considering for those reasons in any change to mortgage income tax relief.

Thank you, sir.

875 **The Bailiff:** You have already spoken, Deputy Goy.
Deputy Collins.

Deputy Collins: Thank you, sir.

880 Obviously being a member of Housing, we are fully supportive. I did reiterate last night, I have had a lot of emails. Obviously I am very pleased, being a first-time buyer, with the wording in this,

which is to help first-time buyers in greater need of financial support, and that probably will be me next year, so very keen on that.

885 Just to mention that the Housing Committee recently had a meeting where actually this subject came up and we have actually some group so we are definitely keen to work with Members looking at all the levers that can be done to alleviate the third group and help them, and I think that is part of a wider strategy. We just did not have time to come here to say, 'We are going to change TRP and look at different rates for Document Duty' depending on which way we are going.

890 So just from a Housing Committee point of view, we are fully supportive of this. I do not know if other Members are going to comment on it but, for me, I welcome this amendment. I voted against the amendment yesterday but I will probably support the final Proposition in response to Deputy Inder's comments about it and fully support it.

Thank you.

895 **The Bailiff:** As I do not see any other Members rising, I will turn back to the proposer of Amendment 6, Deputy St Pier, to reply to that debate.

Deputy St Pier: Thank you, sir.

I will give way to Deputy Goy who is looking to speak on the matter.

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Deputy Goy: Thank you, Deputy St Pier.

I do not mean to be a conspiracy theorist, but I do understand the point that Deputy Gabriel and a few others have made, and it seems like this amendment is a bit superfluous. (*Laughter*) It could have been worked out internally by P&R, so what is the reason it has been brought to this Assembly right now?

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Thank you very much.

Deputy St Pier: Thank you, that is as good a place to start as any so I will now respond to both Deputy Gabriel and Deputy Goy as to whether this is indeed a superfluous amendment.

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Deputy Gabriel is absolutely right, yes, this is within the mandate of P&R and it could have cracked on with this as the result of the amendment; he is spot on with that. However, he has been here long enough to know that not every amendment in this Assembly is entirely essential; indeed, probably the last two amendments would fall into that category as well of having been perhaps desirable but not essential. I think this amendment falls into that category.

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To reaffirm, this was a direct respond to the debate yesterday seeking for P&R to demonstrate that it had heard the message which had been given during that debate and to respond with positive affirmation that it intended to proceed in the direction that the Assembly seems to be indicating, by the majority of the speakers, that it wished to go. I think Deputy Ozanne picked up that point.

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To directly answer Deputy Gabriel of course, probably the most important part of the amendment is the time limited part that Deputy Ozanne drew attention to. It provides a deadline and, therefore, an impetus to do this. Again, Deputy Gabriel has been around long enough to know that sometimes if things are open-ended then they drift over some time. So I think it would help everyone to have a time limit and a deadline put on it, and hopefully that also responds to Deputy Goy's concern as well.

925

In response to Deputy Ozanne's request for a working party, again as I indicated when I opened debate, we would welcome contributions from Deputy Goy and indeed Deputy Ozanne and others. We will find a way to seek to capture the input and suggestions from others, and obviously Deputy Matthews is a key consultee on this.

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Deputy Inder in his classic language – which I was going to call a point of order on it because I think it is unnecessary language to describe P&R as slippery – the point he was seeking to make, particularly for new Members, is while Members have adopted a new Proposition 1 by amendment that does not mean that the Assembly needs to support that amendment when it comes time to

finally vote. That is a very valid point to make. His question and challenge whether P&R will support it, I can only speak for myself and for Deputy de Sausmarez who is sat next to me, I will be supporting it and I will be doing so because it is the will of the Assembly, as expressed through the amendment.

It retains the *status quo ante*, in other words that Deputy Matthews's amendment from last year would be limited to £3,500 for 2026, so it is no different from 2025, accepting that is a £600,000 hole in our 2026 Budget, as we have prepared it. That provides an opportunity to respond to Deputy Gabriel. The £600,000 cost is as a result in 2026 of the decision not to move the £3,500 to £2,500 tax relief. The £3.5 million is a result of the decision not to move the £3,500 to nil over the next few years, and that explains those two numbers.

Deputy de Sausmarez has indicated that she intends to abstain on Proposition 1 because of the interest that she has already declared as a mortgage holder. Deputy Parkinson I imagine will support Proposition 1 because he voted for the amendment, and I cannot speak for Deputies Falla and Burford, who will no doubt vote as they see fit. But the point very clearly was the Committee were seeking to respond in a way that was appropriate, given the debate, and Deputy Ozanne has certainly picked up on the spirit of that, and Deputy Inder has been a little sceptical but perhaps he needs to be a little bit more open-minded about the amendment.

So with that I encourage all Members to support the amendment.

The Bailiff: Members of the States, the final amendment before you is Amendment 6, proposed by Deputy St Pier, seconded by Deputy de Sausmarez. I will ask the Greffier to open the voting on Amendment 6, please.

There was a recorded vote.

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	Gollop, John	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				

Rylatt, Tom
Sloan, Andy
Snowdon, Alexander
St Pier, Gavin
Strachan, Jennifer
Van Katwyk, Lee
Vermeulen, Simon
Williams, Steve

The Bailiff: So in respect of Amendment 6, proposed by Deputy St Pier, seconded by Deputy de Sausmarez, there voted in favour 38 Members, no Member voted against, 1 Member abstained, 1 Member did not participate in the vote and, therefore, I will declare Amendment 6 carried.

We are now going to return to general debate. I am simply going to remind you of the successful amendments so that you can note up your Propositions if you wish to do so.

By virtue of Amendment 4, Proposition 1 has been substituted. Proposition 1a has been inserted by Amendment 6. Proposition 20 has been amended by virtue of Amendment 2. Because it is the simplest way of doing it I am going to suggest that the additional Proposition arising from Amendment 5 be added as Proposition 24. I will also give an indication that I am likely to take each of the Propositions separately for voting as and when, rather than trying to combine any of them.

Who wants to speak in general debate? Deputy McKenna.

Deputy McKenna: Thank you, sir.

This is just my personal opinion or belief. When Deputy Sloan said yesterday about fiscal honesty it hit me really hard. I had not heard that term before but it certainly resonated with me. I felt after the debate yesterday that if the States of Guernsey was in charge of the Sahara Desert, within five years we would have a shortage of sand.

When my friend, Deputy Parkinson, said borrowing is sensible, yes, it is, but borrow how much? I would love to see Deputy Montague get his school. I would love to see Health get phase two of the hospital. I remember when phase two of the hospital started at £50 million; it has now risen to £150 million, but it may be more. It is the same height, breadth and width, but we have not even taken into consideration what the diagnostic equipment would cost.

What I am saying is borrowing is sensible if we know what we are going to be paying back. When I hear in the Budget about TRP, I have been consistent in this, I have never liked TRP, Tax on Real Property. It is a tax but you get nothing for it. What are we saying to the people out there, the hard working people who maybe own houses through generational families? It is just going up and up and up and they get nothing for it.

Deputy Parkinson and I did a video last year – and I think it had 350,000 views – where we said you cannot tax a generation that are no longer here. My son is 20 and he is part of a WhatsApp group of 11, and he is the only one left in Guernsey. People say, ‘I do not know if people are really leaving’ well ... I was doing a job professionally for a gentleman who works for a removal company and they have got five vehicles and they only send the five vehicles once a week to the UK. I said, ‘Are you busy?’ and his words were, ‘We are stacked out, mate.’ So I said, ‘Well, what is your timeframe on this?’ He said, ‘Look, for three months we cannot take any more orders.’ That is five vehicles, so possibly 20 families a month leaving, and they have got a three-month waiting list. That is only one removal firm.

People cannot take any more pain of the cost of living here. That is really what people are saying. There was a great saying from Abraham Lincoln where he said you can fool some of the people all of the time but you cannot fool all of the people all of the time. Well, this Budget to me feels like we are trying to fool some of the people all of the time, and that is who we are concentrating on. We are not looking at the bigger picture.

I remember reading – I think I have mentioned this before – a couple of years ago, Mr Richard Digard in *The Guernsey Press* wrote:

The public sector pension scheme is a growing taxpayer liability.

For me it was lovely words but I did not really understand. There are over 5,000 civil servants. The Civil Service I think has grown by over 100 since last year.

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Deputy de Sausmarez: Point of correction.

The Bailiff: Point of correction, Deputy de Sausmarez.

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Deputy de Sausmarez: Unless I misheard I think Deputy McKenna just said there were over 5,000 civil servants. That is absolutely not correct. There are 5,000 public servants, so people who work in the public sector, but the vast majority of them are people like teachers and nurses, not civil servants. It is a very important distinction.

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The Bailiff: Deputy McKenna.

Deputy McKenna: My apologies, I fully accept that. But you can see where the liability – coming out of what I would imagine general revenue – is a huge burden every week on the working people of Guernsey.

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Me standing up and saying this is not going to be popular because if you bow to the wishes of what is written it seems to be accepted but, sir, through you, I always enjoyed listening to the line where it says a Guernsey man had a son and a daughter, and he said to the son, 'What is two plus two?' He said, 'Four, Dad.' He said, 'Brilliant, go and work for States of Guernsey as an accountant.' Then he said to the daughter, 'What is two plus two?' She said, 'Dad, are you buying or are you selling?' He said, 'Come and work for me.' *[Laughter]* I think that is where we need to be.

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Guernsey was built on trading. Guernsey was built on doing deals. Think of the years before when we had the flowers and we had the tomatoes and we used to export all sorts of goods back in the 1800s, but that is what we need to do. We have people here who have track records of doing great deals and becoming successful. I look at Deputy Vermeulen as one as a hotelier and golf course and leisure facilities. What I am saying is we have got people here doing great deals.

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We need as an Assembly to get together and produce a Budget of great deals to give hope to the people out there, to give hope that there is a chance to thrive, that there is a hope to actually enjoy living in Guernsey, not surviving in Guernsey. Our children are leaving. So please, before you consider this Budget – I thought the Deputy Sloan and Deputy Camp original amendment was saying that we just cannot keep growing and growing, because as I said to Deputy Helyar yesterday in the library, there is a consequence to this. If we just keep growing and putting things up and up and up, guess what, when taxes come we will say that is the only game we have got left to play, the only hand we have got left to throw in on the table will be tax rises and pain that our community cannot take any longer.

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So through you, sir, I am only saying to my friends here among us, I am not voting for this Budget but I want us to see if we can get together and do some deals and give hope to the people out there who are working hard every day, working two, three jobs. I remember back in the 1980s – and this was when all the pubs and nightclubs were busy – they used to say when we were getting quieter in the nightclubs it is because people have not been paid at the end of the month. When people are paid at the end of the month we used to call them weekend millionaires.

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Now people are looking at the bills coming in every day in fear if they can pay their bills every day. That unfortunately is the reality. People are frightened of what is going to be coming through the post every day. We have got to give them hope.

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The Bailiff: I am going to call Deputy van Katwyk to make his maiden speech.

Deputy van Katwyk: Thank you, sir.

On this day of Budloe's Eve, a pagan ritual that once marked the year's end with cleansing fire, I stand against this Budget. I stand today against the Budget for the fundamental reason that over many years the States of Deliberation have operated with an underlying structural deficit. I know of no business that would watch the years tick by, and the reserves drain dry, while continuing to outspend revenue.

I was 19 when I first wrote a manifesto and stood for the honoured position of States' Deputy, or rather 'People's Deputy'. The year was 2008 and the long awaited Zero-10 had finally and fully been introduced. Our reserves were in the hundreds of millions, but there were already whispers of a lurking black hole.

Now, Deputy St Pier opened this debate with a sense of déjà vu from 2013. Over a decade later and here we are; not once again, but still. Here we are, bank accounts drying out, a spiralling structural deficit, and Members of P&R are justifying borrowing by framing it as a way for future generations to pay for the services and infrastructure that we hope they will one day enjoy.

Here we are in a cost-of-living crisis and threatening to plunge households 5% further into despair. Here we are. Why? Partly because the option for a consumption tax was always part and parcel of Zero-10, and previous iterations of this Assembly – in true Austin Powers' style – did little but watch the steamroller advance.

It beggars belief to hear Presidents of Committees stand in this sitting of the States, promising to make cuts a year down the line, 'We just need another year' and to hear long-serving Members say, 'We just did not have the time.' We did not have the time to prioritise those struggling to buy a first property, but we did have time to prioritise those buying second properties.

Deputy Hansmann Rouxel, you pleaded with us not to vote for the Sloan-Camp amendment, 'This is not the way to make real change. We must work within the rules.' I expect nothing less from the President of SACC, but I ask, where have these rules got us over the past 20 years?

Some will say that to seriously stand against a Budget is to risk a state of emergency. Well, let me tell you that this is already an emergency. Guernsey's sons, daughters, fathers, mothers, even grandparents are leaving their Island home in droves because they cannot afford to live here. This is an emergency. To accept this Budget is to hammer the final nail in the coffin, and let me tell you, more than 5% of local family members will be locked inside.

I applaud Deputy Inder for bringing to light the mammoth rises in budgets in the past seven years. I am sure that Deputies will continue to tell us 'Speculate to accumulate.' But what exactly have we accumulated since 2008?

When I look at this Budget I see £160,000 to £320,000 income tax caps and a States that refuses to tax the rich their fair share. I see the scrapping of 2% Document Duty on anything but principal properties, masquerading as a stimulus for the rental market, and a States that refused first-time buyers help. I see rises in petrol tax, while those who can afford to 'go green' go on using our roads on the cheap, and a States that does not care.

I see a States which laughs in the face of spiralling costs by refusing to dramatically curtail public spending. A States resigned to squeezing more out of its struggling population before getting its own house in order. A States unwilling to seriously tackle its structural deficit while precariously balanced on the precipice of the austerity chasm.

I see no other option but to ask my fellow Deputies to declare a state of emergency, and to stand against this Budget and help put an end to two decades of madness. Let us show the population a States finally willing to make the hard decisions to protect our hardworking families and their future.

Thank you, sir. *(Applause)*

The Bailiff: Deputy Inder.

Deputy Inder: For what it is worth, I would have applauded Deputy van Katwyk's speech had it not even been his maiden speech. Excellent, and I remember back in 2008 I voted for

Deputy van Katwyk and voted someone else as well at the time, so it is good to see him back in the room. Excellent first speech, and that is the Guernsey voice talking.

Now, Deputy McKenna, what has TRP ever done for us? Sanitation? Medicine? Education? Public order? Irrigation? Roads? Fresh water? But unfortunately it has never *[Inaudible 11:18:33]* and in reality, Members, taxation is a factor of public services. That is exactly what we have moved to do and it is almost strange – this is in conversation with Deputy Niles, can you imagine the centre-right, this I almost what we called *[Inaudible 11:18:53]* to get involved. Because I am going to put myself in that box as a moderate centre-right, where the people actually say no regulation and no more taxes. It is usually the left who actually want more taxes, but it seems I am in the box that says we need more taxes to provide public services. I just cannot even believe I am even saying that.

In any event, we are here in general debate and I am just going to refer to Proposition 16. This is in my previous role as Economic Development President, and in my current role at DPA, and a man who basically has lived many years in this Island and has seen – in reference to Deputy van Katwyk's maiden speech – what is happening in the Island. He is right; the people of this Island are leaving and those who are leaving are not coming back, and it is right across the board. It is right across the board.

Proposition 16 says:

To agree that the project for site clearance at Leale's Yard is added as a delivery project in the current Major Projects Portfolio.

Fantastic. That is what is actually needed. We need to start clearing sites because what we are actually seeing now – and I was talking to someone only recently, a builder, not particularly well-known, he has got a small site that could attract the possibility of building something in what effectively is a back garden, 150 foot wood, 500 t, £30,000 just to take the wood from the land. That is without testing the land, finding out if it has got some development potential in it. The costs of clearing land are going to be absolutely phenomenal with some of these building sites.

So I am certainly going to support this and I would commend Policy & Resources for recognising that Government is going to have to get involved with some of the land clearance. What I would ask them to consider is actually possibly looking at expanding this. If we really are going to effectively help people get stuff out of the ground it is going to have to be things like land clearance. I was talking to Deputy Humphreys over coffee and a fag – and in fact she was not smoking, I was – this morning. To give that example, if that individual was making some profit from the development of the land, if it was £30,000 just to clear this land the Government would come in and say, 'Look, we will subsidise your £30,000 just to get you out of the ground, but we will take it off your profits at the end.' There are many ways of skinning this cat which do not necessarily mean that Guernsey needs to subsidise.

I am just saying on this particular thing, because housing is so important, I would encourage P&R, without amendment, to actually think on expanding this in some way, talking to Economic Development – because I think they will be finishing their market review shortly, or relatively quickly, on the price of aggregate. But I think the next thing we have got to do is the price of land clearance in Guernsey. It is absolutely phenomenal and I would encourage P&R to look at expanding this next year and give more consideration. Talk to Housing, talk to – I will give way.

Deputy St Pier: I am grateful to Deputy Inder for giving way, because of course I do have a right to reply to debate, but I could not resist the opportunity of seeking his confirmation that I heard him correctly before he began his request of us. Did he actually say, 'I commend P&R'? *(Laughter)*

Deputy Inder: I mumble a lot. *(Laughter)* I think if you check the recordings, I am not entirely sure I said that. But, yes, okay, I did. I think you *(Interruption)*, that is right, I condemn P&R. *(Laughter)* Deputy Leadbeater is absolutely right, I think it was I condemn P&R for it; true to type.

But that is it; I would commend P&R for 16, I think that is a good initiative, but I would ask them to consider talking to Economic Development and Housing over the next year, and developers as well, and look at expanding that because this is an issue.

The Bailiff: Deputy Burford.

Deputy Burford: Thank you, sir.

I just wanted to pick up on a few points that have been made in debate, and I think some of them indeed from Deputy van Katwyk's very good maiden speech there. But I think there are perhaps a few misleading things that came out of that, and I am happy to stand corrected if I misheard. Deputy van Katwyk referred to Deputy Inder yesterday and his quotes on budgets increasing by 50% to 100% over a period of time. These figures are now on social media, as you would expect, but I think what is really important to note is that those figures were not in real terms. There was a suggestion that Home's budget had increased by 100% over this term.

In fact, first of all, the calculation on the figures was not quite accurate, and then if you put it in real terms it turns out to be around about 13%. I am not saying it should have been increased by 13% but it just shows the effect of inflation over the longer term. I think we have really got to talk in these proper terms because it does not do the community any favours and it does not do us any favours. We just need to really try and be accurate because it sets hares running and it upsets people.

Now, I am not saying that there is not a need for us to have fiscal discipline because there absolutely is, and there is a divided view in this Assembly as to whether we should be doing that right now through yesterday's Sloan amendment or whether we should be working on that. Of course in this coming year in the 2026 Budget every single Committee can drill down and see where they could find savings. They do not need to spend their budget. I would like to think that from all the kind of speeches that were made yesterday, that that is actually embedded in the Members of this Assembly pretty universally.

Moving on. There was a comment about rental prices where we are empowering landlords but not homeowners. I think there is a slight confusion there because all that is happening is that the Document Duty is going back to where everybody pays the same, whereas for a while those buying houses for not the principal private residence – which generally means in order to rent out – were having to pay an additional 2% Document Duty, which is about £12,000 on your average house.

There was a feeling that because there is such a crippling shortage of rental properties, that that might have been deterring people from doing that, so the rates have been equalised. So there is no preference now to either the homeowner or someone buying a house to add to the rental market. I think that needs to be clear.

I think the other thing is that – and I will make this point and I am not meaning to sort of point fingers – there are a lot of Members supportive of the Sloan amendment and supportive of cuts who yet put to P&R budget requests significantly higher than their previous year's budget, and these were generally reduced by P&R. So it almost seems like, 'Well, it is all right for my Committee but I think overall we should be spending less.' So I think we have to be a little bit careful here.

The last point I would make is we do seem to get a lot of anecdote in speeches and I really would like to call for much more in the way of solid data. Knowing families who have left the Island, knowing this, but anecdote is not data and I think we really need to concentrate on that.

Thank you.

The Bailiff: Deputy Curgenvén.

Deputy Curgenvén: Thank you, sir. I have been told I have problems with my mic and people cannot hear me so I will try and speak up.

Why bother writing a speech when you can plagiarise one? In 1985 Ronald Reagan in his address to the nation on the federal budget and deficit reduction said the following:

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The simple truth is that no matter how hard you work and no matter how strong this economy grows, no matter how much more tax money comes to Washington, it won't amount to a hill of beans if government won't curb its endless appetite to spend.

Overspending is a subject we must address now. Our budget has got so far out of balance and, yes, what together we can and must do to correct this. You know, sometimes the big spenders in Congress talk as if all that money they spend just kind of magically appears on their doorstep, a gift from the Internal Revenue Service. They talk as if spending were all giving and no taking.

Well, there is no magic money machine. Every dollar the government spends comes out of your pockets. Every dollar the government gives to someone has to first be taken away from someone else. So, it's our moral duty to make sure that we can justify every one of your tax dollars, that we spend them wisely and carefully and, just as important, fairly.

Which is true then and is true today.

Thank you.

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The Bailiff: Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

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When I read the Budget, and listening to yesterday's debate, much of the focus was quite rightly centred around the growing pressures within Health & Social Care's budget. I wanted to pick up one area to me that encapsulates those pressures perfectly and how we get into these situations.

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The funding of NICE Technology Appraisals, or NICE TAs. It is important context for new Members to know that this policy was not part of the long-term fiscal financial plan. It began its life with a requête brought by former Deputy Peter Roffey in 2018. At the time Deputy St Pier, the then President of Policy & Resources, told the Assembly, 'We are forecasting a £4 million to £5 million a year NICE-approved drugs and a further sum equating to several million pounds per annum for the full extension for NICE-approved procedures and treatment for Guernsey patients.' He went on to caution that P&R could not support such a significant change in policy without the benefit of a comprehensive review, already in train, and without a clear understanding of all the implications, both intended and unintended. The Assembly agreed anyway.

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Those warnings were prescient. In 2020 the States adopted the Policy Letter review of the funding of drugs, treatments and devices, and at the time Members were told that the cost would be met from the Guernsey Health Reserve. But in 2026 we see that the Health Reserve is now fully committed. The NICE TA allocation has become a permanent feature of general revenue, with £7 million a year now built into HSC's base budget.

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The Budget states an amount of £6 million was included in 2025 Budget; for 2026 the allowance would be £6.2 million after inflation, however, an additional £770,000 increase was reported in 2025 which brings the NICE TA funding to the proposed 2026 Budget to £7 million. Previously the cost of NICE TAs was met from the Health Reserve, however, the fund is now fully committed. That is non-trivial, structural, locked-in growth, precisely the sort of recurring pressures that was predicted back in 2018. The lesson here is now that the decision was wrong; access to effective medicines has real social value, but that requêtes and amendments can hardwire structural costs. They can commit further Assemblies to permanent expenditure without a clear plan for how it will be funded.

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If we are serious about fiscal discipline and reform we have to learn from that experience. We must insist on full lifecycle costing and a clear understanding of the long-term implications before we commit to any policy that creates an open-ended revenue line. That can and it does feel frustrating. We want to act. It is not quick, it is not glamorous, but real sustainable change takes time and hard work. It is the grunt work of politics. It is not sexy, it is not populist; it takes time and effort. That was really my point yesterday. It is not about just sticking to the rules, it is about doing the hard work behind the scenes and making these decisions.

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Another lesson like this is in education. In the 2026 Budget it makes a direct reference to the Transforming Education Programme, TEP. It notes that a reduction of £1.3 million has been made

to the 2025 cash limit to reflect the reclassification of costs associated with the Transforming Education Programme, which are now included under non-capitalised budget costs. That simple sentence tells a long story; the sad story of a transformation of secondary education and anybody who has been in the Assembly and debated education over the last three terms will know that it has a long, sordid history.

In the 2012 to 2016 term the then Treasury and Resources President, again headed by Deputy St Pier – I feel there is a theme developing here, and I cannot quite put my finger on it – continually pressed the Education Department to reduce its revenue expenditure. Falling pupil numbers were used as the justification, culminating in a successful amendment directing the Education Department to reduce to three schools in secondary education to save money and also ostensibly for educational reasons.

In the following term that became the two-school model by amendment. Again, tied to revenue reduction and educational benefits. When that collapsed under public pressure a requête – again – reversed it; well, actually paused it and then threw the review under the couch. In the last Assembly, despite clear analysis showing that a three-school model with a separate sixth form would be the most expensive configuration, that was what the States approved. The result: the structural inefficiency is now baked into this Budget. Now every building, every timetable, every staffing model that flows from that configuration is a recurring cost; one that sits there year after year in ESC's budget line. Like NICE drugs, it is hardwired structural cost.

At Education, Sport & Culture we have worked hard to live within our means but we also know that every pound we do not spend on early intervention and the right support at the right time in a child's life is a pound that costs the States exponentially more later down the line. To manage that we had to shift resources internally. The consequence is that the sport and culture parts of our mandate have been slowly eroded in real terms, and that matters. We know the enormous benefits to health, wellbeing, community cohesion and the economy that investment in sport and culture brings. We do a great deal with very little but we could and should be doing much more. Yet we are constantly asked to weigh the clear tangible benefits of education and early intervention against the more ethereal but equally vital benefits of culture and sport. Both are fundamental to a healthy, educated and resilient society. But we cannot properly invest in either while so much of our budget is tied up in structural inefficiency.

So a word of warning, particularly to our new and enthusiastic colleagues: be careful what requêtes and amendments you bring. This is not to say do not bring them, requêtes can be powerful tools for change but only if they are used with care. Listen to and heed the warnings of those responsible for the mandates you seek to effect. Choose to collaborate; work with, not dictate. Do not try to bend the will of the Assembly against a Committee without fully understanding the operational and financial consequences, because we see now in both health and education the unintended consequences of decisions made with the best of intentions, but without the full picture. If we are serious about reform we must do things differently this term, and that begins with how we work with each other.

The decisions we make in this Chamber about the future are not just for the next four years but for the next generation. Reform is not just about saying we cannot afford it, it is tough, there is nothing we can do; it is about having the courage to untangle the inefficiencies we have inherited and to plan for the long term, making choices for the good of Guernsey, not just for the good of the next election.

Thank you.

The Bailiff: Alderney Representative Hill.

Alderney Representative Hill: Thank you, sir.

This is more of a point that I would rather like to see clarified. I am a little bit surprised that we are sitting here saying we are all having to borrow money, there is no money, and we are in a pretty bad situation. Yet I see an overseas aid bucket of £5 million. I realise that might be a heritage thing;

1305 it might be something that was probably inherited from David Cameron's Government who I think tried to bake an overseas aid percentage into the GDP, which I think you probably follow. However, £5 million for a population of 68,000. I do not know a single UK town that pays that sort of money in overseas aid.

1310 I do not want to sound mean but we do have to cut our cloth. We have got quite a lot of stresses within the Bailiwick and I honestly think that I would ask you – as Deputy Burford has said – that not all budgets are spent, but I would really request that you look at that expenditure and bring it down to what is a reflection of our current financial situation. I think £1 million, maybe, but £5 million? That is incredible.

1315 Also I would like to point out, a bit cheeky, but you are trying to raise money for the Victor Hugo Centre which is all about international ideals and all these things that Victor Hugo represented. In fact, would that money be better spent on doing the Centre rather than sending it overseas? I have lived in the Middle East, I see that there is a lot of squandering of overseas aid, and I really feel that particular budget would need to be reviewed, and I would ask that it is not spent 'just because' and things are looked at properly.

1320 I am sorry; I do not want to sound uncharitable, but I just do not think a population of 68,000 can really afford to spend £5 million on overseas aid.

The Bailiff: Deputy Ozanne.

Deputy Ozanne: Thank you, sir.

1325 I am going to support the Budget, although I do strongly agree with Deputy van Katwyk, and I congratulate him on his maiden speech. Like Deputy Inder, I would have applauded it even if it was not because there is so much in there that I strongly align myself with. There are concerns about how we are supporting – or rather perhaps not being seen to support middle income Guernsey and those who are struggling.

1330 Like Deputy McKenna, I really believe what people want more than anything right now is hope. The comments that so many of us are receiving on social media, many of them extremely aggressive comments – and I am sure I am not the only one who got quite a lot of emails last night chastising me for not supporting Deputy Sloan, some language being far more aggressive than others – but that social media anger is often because people feel thwarted, they feel unheard and misunderstood. That is a job on each of us, I know, to try and find better ways of communication, but it is not a receipt, I would suggest, for us to give in to populism or give in to social media pressure. I do hope that our changed tone here might be reflected – she says optimistically – in a changed tone online.

1340 Fiscal policy needs to embrace social policy. I talked yesterday about three core principles that are core to me, and I think many of us in the Chamber talked about the need for fairness or equitable policies that are understood across the Island. I would love to hear from P&R those policies being reiterated in the Budget Report, that we would put principles right at our start and that we would, therefore, be able to keep ourselves accountable against those. We talked about the principle of realism and the principle of needing to take action.

1345 Finally, I would want to talk about the different experiences I have had as a newbie on different Committees. It seems to me that depending on our Committee and the way our Committees approach budgets we may look at those budgets in very differing ways. I have been slightly surprised by that and so I do hope that in the reforms that we talk about through our budgeting process we will also look at how we standardise that budgeting process across Committees. I am often sitting looking at one budget thinking, 'Gosh, why are we giving so much to X when on another Committee that would make such a difference to Y?' It is very difficult to know how to share those concerns across Committees, and I am sure I am not alone in that.

1350 So I hope that when we look at the process – because it has not been ideal, and we are all committed I think, and certainly P&R is committed to look at how we can standardise a better process going forward – that we will look at the cross-Committee work. But overall I will support,

despite my reservations, because I think not to do so would be fiscally irresponsible and we owe it to the Island to have a clear plan and mandate to move forward.

Thank you.

1360 **The Bailiff:** Deputy Oswald.

Deputy Oswald: Sir, thank you very much.

As President of the Committee which is going to receive between 40% and 50% of the budget allocation I felt I should stand up and point out what we may have learned from the debates which have been held over the past two days.

I thank Deputy van Katwyk for his very good maiden speech. I think the indications from much of what he says was actually brought out in the Guernsey Population Survey which has meanings for how we spend our healthcare budget. Unhappiness is a prime driver for health need and he has absolutely put his finger on the button as to why some of our population feel out of sorts.

1370 Deputy Burford has talked about the points of the increasing budgets, and of course the healthcare budget has increased dramatically over the years. Some of that is related to – as my colleague Deputy Rochester pointed out yesterday – the fact that we have taken on extra duties at the same time as we took over ESS and the budget allocated to that.

1375 Deputy McKenna talks about the rise in the cost of healthcare provision, particularly in relation to the future provision of OHM2, as we have come to refer it, and of course we will be bringing that project to the Assembly in the new year as a business case created in full, and no doubt there will be considerable debate about the costs thereof.

1380 I particularly want to thank Deputy Hansmann Rouxel for raising the point about the NICE TAs and the ethical issues which arose from the decision to fund them. As she pointed out, that came from the Health Reserve Fund initially to precipitate the programme, and that Health Reserve Fund is now exhausted or will be when OHM2 is completed. But we had debate at Committee level when I was previously a non-voting Member and saying, 'Well, who is going to pay for it when the Health Reserve Fund runs out?' I think the point that these well-meaning provisions made for by the States have to be funded long term.

1385 The ethical issue of course which had to be addressed was if we had two patients sitting in beds in Southampton, one a Guernsey resident and one a UK resident, they at that time could get very different treatment for their life-threatening conditions. So these are the sort of ethical issues that we had to face and at the end of the day they had to be paid for. That is why I would like to thank Dr Sloan and his PhD in economics for Amendment 1. I think that is a real shot across our bows. We have recognised in our Committee already that we have to face up to the facts of healthcare spending becoming unsupportable. It has to be paid for.

1390 As I pointed out recently, none of us know when we might need the services of our excellent medical staff locally, and that comes with a cost. How we approach that cost in times of burgeoning healthcare inflation – and I will point out, as has already been pointed out, that medical inflation runs over 10% per annum, which is one reason why our budget is so high. How we pay for that is going to be the subject of difficult consideration, difficult debate, and probably difficult decision which again have to come within the next year.

1400 I can assure Dr Sloan that his message is taken onboard and we will be discussing it further at Committee level. I do not think I have got anything more to say.

The Bailiff: I am just going to take this opportunity to remind Members that people are either Alderney Representatives or they are Deputies. They are not doctors in this particular place. It has crept in a little bit.

1405 **Deputy Oswald:** I apologise, sir.

The Bailiff: You are not the only one, Deputy Oswald, but I have just decided that the time has come just to serve that as a reminder to everyone that if you are referring to a People's Deputy it is Deputy X.

1410 Deputy Gollop.

Deputy Gollop: I am sure Deputy Niles would be more interesting than me, but a few points to make. I wish I could speak for an hour because – no, I cannot, because there are so many points to pick up.

1415 Alderney Representative Mr Hill made a powerful point about overseas aid, which we heard in previous Assemblies, but I would always argue that Guernsey is a very generous community, we know that through volunteers, and we celebrate people like Joe [*Inaudible 11:48:38*] and many others who have achieved enormous amounts. Privately with volunteers and sponsors we could do more with P&R helping with gift aid and more abilities to fund that, but that is a different question
1420 for another day.

But bearing in mind we have an international finance centre and high-net-worth individuals and many others, people who have served in the military; I think Guernsey definitely has benefited from the global community, globalisation and money that comes here from the legitimate sources. We have to pay back as well and do our bit as a parliamentary Government. You can quote figures out
1425 of context all the time but I have just been looking on my little Google phone and I see Jersey's budget, unbelievably, for overseas aid and development led by their Minister, something like £22 million. Now, they have got a population of between 100,000 and 110,000, an economy that could be double ours, though I am not so sure about that – I think that is less than that – but that is still a lot more than what we give.

1430 Secondly, Mr Hill rightly mentioned the Prime Minister for that era, later Foreign Secretary, Lord Cameron, who kept the overseas aid and health budgets when others were dropped and reduced. Perhaps he was too generous because right up to the Liz Truss/Rishi Sunak era the UK was giving £15 billion. Now, in very crude terms, the UK is 63 million, maybe 68 million people, it is like 1,000 times bigger than us, and yet they were giving £15 billion after COVID. Now a Labour Prime
1435 Minister has decided to reduce it in favour of defence spending, so the 2027 Budget is approximately £9 billion. Now, in my figures that is roughly £8 million to £9 million compared to £14 million to £15 million.

I make that point to show that although it is a lot from us, but where possibly I am aligned with Mr Hill is that if we are giving as much overseas aid as we can, we need to support our overseas
1440 brothers and sisters in Alderney as well, as they need regional support.

Deputy Hansmann Rouxel made some really powerful and poignant points. I would reply, I voted on all occasions probably against her judgement, and I did it for populist reasons, and I did it because there was an overwhelming mass of public opinion, political opinion at the time, that that was the way to go. Now, I think I agree with the argument that Deputy Oswald made about the
1445 ethical nature about you had two patients, one of whom would get access to treatment and the other would not, and yet we are supposed to be a wealthier community and a more fortunate community.

I cannot really debate that, but what I would mention is the wisdom of what Deputy Hansmann Rouxel said of course was undermined subsequently in the following term because we did take the advice on board of the cost, and funnily enough it was the right of centre Members who voted more vigorously for it, I remember at the time, because the Social Democrats were saying, 'Be cautious of what you wish for.' But it all unravelled in the following term because we did not make a fiscal policy decision that was sustainable, so we ended up at P&R encouraging Health to use the Health Fund for capital building for the hospital and that is completely wrong, but
1450 that, mentally, is what we did.

But the speech of the day: runner up I think would be Deputy McKenna, as always. He is back on form with the argument that the Island cannot take much more punishment, because he speaks like

Deputy Vermeulen, perhaps from the private sector point of view, from the kind of people who have been making a living for many years and the next generation want to go on doing that.

1460 The speech of the day of course was newish Member, Deputy van Katwyk, who spoke – I agree – very much on behalf of I think many people in Guernsey, and many people of a particular generation.

But I would argue that a bit like, ‘What do the States do for you?’ the States should be there enabling and facilitating people to have better standards of living. As a community for the last 20
1465 years or more we have had a generous policy really of sending potential university graduates to study in the UK, not with student loans and other things. Many of them do specialist subjects, academic subjects. They want to come back to Guernsey and many do. We hope more do. But some of their personalities and natures and qualifications are more suitable for public sector than private sector. We need a variety of everybody. If we constantly have a message coming out from some
1470 politicians and some pundits on Facebook that we should cut and cut the public sector, what does that do? Because we actually do need from time to time archaeologists, art curators, academic statisticians and so on. They have a role too. So we have to have a balanced economy.

I discovered after yesterday’s debate from the chitchat of Members, some of whom are probably not unsympathetic to me, that the real villain, the loser of the day yesterday, was me. I was the one
1475 who was getting all the bad news because Member after Member – and not all from the same political camp – are saying the really big mistake we have made, which has made life harder for Deputy St Pier, Deputy de Sausmarez and others, was the 5% pay increase in the last year of the States. That we should have gone lower; that we could have gone lower.

Now, we collectively at P&R – and the Members are not, I think, here at the moment – agreed
1480 that was a fair way to go and what we did not need was industrial action. What we did need was an empowered, motivated, well-resourced, but also recruitment and retention being a really important issue – in some fields very critical, whether it be care or teaching or nursing or some other specialist areas, even accountancy and law in the States – we needed that. I do not think you can have a simplistic message. I think Deputy Sloan and others, it would be interesting to look at this analysis
1485 in greater depth, the argument that maybe the upper quartile of the public sector has encroached more on the upper quartile of the private than was the case a decade ago.

In really boom times obviously people in the private sector sometimes have access to cheaper finance or bonuses or share options – well, that is in the Budget this time – and so you are not comparing apples and pears. But we really do need the whole States – and I may come up with
1490 ideas on this in the future – to have a better grip on public sector pay, public sector recruitment, and public sector empowerment. Personally I am in favour of many public servants getting higher pay because I think particularly those at the sharp end, at the lower end, are not getting competitive rates. There is more of an issue with middle and upper middle management. But I think politicians, and I entirely agree with the sentiments of Deputy Helyar, even if I might raise them slightly
1495 differently, that there does need to be more politicians being engine drivers in driving that train and not devolving everything.

We do support the new Chief Executive Officer and his team in what they are doing and they have set themselves not an unambitious target, but I think politically the next year we should really work at how all of us can justify the pay, the increments, and all that in the package, and actually
1500 work with human resources and the unions to maybe give some people a better deal but to reduce – I will give way to Deputy Inder.

Deputy Inder: Deputy Gollop, thank you for giving way.

Given your long experience, and I know you spent some time at P&R, the message coming out
1505 of the current P&R essentially is that we are going to do things differently. The biggest part of the expenses of the public service are wages. They are entirely contracted and effectively run by Policy & Resources, and that would be the thing that a different way of doing things would have to address. In reality, if there are legally binding contracts which we have to find some way of changing the service to delete some of those positions, does he really think, given his experience, that we are

1510 really going to be able to drive any savings or efficiencies out of the thing that costs us the most, which is staff? It is a genuine question, in his experience.

1515 **Deputy Gollop:** Well, I think if we cannot then we might as well stop sitting here or rapidly downsize because that is one of the levers that will have to be looked at, as well as how we deliver services and smarter services. The very nature of emerging technologies; artificial intelligence will be a factor as well. But just to give two points. I think one of the achievements of the last Policy & Resources Committee was we ended up doing litigation on a very complicated longstanding pay dispute with organised labour organisations who made their case ably and we made our case ably and we won that tribunal, as it turned out. I think a superficial analysis of that, maybe we could do
1520 all of us with a briefing on it on another occasion, would be that the States as a democratic Assembly is entitled to alter conditions, not necessarily change contract but change a situation according to political emergencies and that has to be done carefully.

I would also say if you look back in political history, and I will start to bore people and we do not want to hear all this, when I came into the States the most powerful Committee outside of Advisory
1525 & Finance and the Board of Administration was the Civil Service Board because it managed everything from recruitment to employment, to personnel, to job future and whether other Committees should get jobs or not. Deputy Laine will remember that era. Then we had a Treasury & Resources and a Public Sector Remuneration Committee and although they were a bit clunky I think the fact that you had politicians who were more focused on that, P&R really is a huge empire,
1530 which make it easier.

I just think there was an experiment in the last term too when one or two members of P&R at one point were taking oversight roles. Whether that was quite the mechanism to do it I do not know, but we need for politicians to engage and not devolve completely the nature of public sector recruitment and retention and conditions. If we are satisfied that everything possible is being done
1535 and that people are being waged fairly and in a way that justifies market conditions and other factors then we have to sell that to the public, but I think if we do not understand and do not engage with that – I do not envy the task of really big Committees such as Education and Health because they must look in despair as their costs rise and two-thirds of their cost base they really have no direct say over. So my message is I will vote for the Budget but not every part of it perhaps but it is
1540 very much to engage with the cost base, not make cuts, but to understand what your cost pressures are and act on those.

The Bailiff: Deputy Niles.

1545 **Deputy Niles:** Just a few words from me to explain where I stand or sit on this. Firstly I commend Deputy van Katwyk for an excellent speech and also Deputy McKenna also for an excellent speech and I empathise with a lot of what they both say. I work in this Assembly with Deputy van Katwyk and I work with him on Committee as well, and he is an absolute man of his word and I respect that absolutely.

1550 We sit in this Assembly to represent our community and our community continually tell us that they wish fiscal discipline and that they hope that this will be delivered through our Assembly. In the recent election – and it was very recent – many of the successful incumbents that now sit in this Assembly made promises that they will support the hopes and aspirations of all of our community.

We have discussed hope many times over the last two days in debate, hope that we will deliver
1555 cuts in the future, hope that we will receive accrued income and hope that these accruals will not turn into provisions. We must not keep hoping and we must now all commit to absolute plans in this Assembly that we will address the fiscal imbalance that we are creating through this Budget. P&R have asked us for time and they have committed that they will deliver a package of solutions to bring our fiscal policy back into balance. I respect those commitments that have been made by
1560 P&R and I recognise that they will need time but they promised only a short period of time and I respect that too.

Sir, what I am not prepared to do is to simply vote against this Budget and bring not only imbalance but instability into our economy, and for that reason I will be supporting this Budget.

1565 **The Bailiff:** Deputy Helyar.

Deputy Helyar: Thank you, sir.

1570 Firstly, a word of advice for new Members because it is something I found out after I suppose about 18 months in the role, is that you should keep your speeches because it will not be very long before you can recycle them. The same things come around again and again and you will need to say the same things over and over again. I was in conversation with my friend, Deputy Montague, this morning and he urged me to be more positive and I will try anything once. *(Laughter)* So here goes.

1575 I am not going to play the blame game today because I have been in that chair as the Treasury lead and I have every sympathy with Deputy St Pier. He has the most difficult job of squaring the circle in getting public finances in order, and so I have a lot of sympathy for the role that he is now playing and I do think that P&R are to be commended because what they were handed over they have cut back on or requests that were put in have been reduced and they are to be commended for doing that because that is their role and they have gone to work on that and cut back on everybody's expectations.

1580 In terms of STSB we will be, and I will be contributing personally, to trying to close the gap in the general revenue that we are having to call upon because of losses that were made. We will try to maintain charges and costs to the public which are reasonable because what we do impacts on everybody and doing our best to realise commercial opportunities, to do our best to be positive, to make STSB more of a success than it already is. So that is the point of it. There we go.

1585 The big question for me when I picked up the Budget, and it was not a disappointment at all, was why on earth was this prepared to have this kind of wantonly reckless and unaffordable outcome in the first place? I mentioned Deputy Trott in my first speech. This is like the biggest hospital pass of all time politically because we must remember that this P&R did not prepare this Budget. It did not sit through a lot of the preparation work that went into it particularly in its early stages when you can set the tone, but the thing that concerns me is what is it about our worsening fiscal crisis that the public service does not seem to understand? Why has it not filtered down to every level of our Government that we are already trying to do too much and we cannot afford to do any more? **(A Member:** Hear, hear.)

1595 I am afraid the answer is, as I have said on several occasions, we are passengers on the bus, driven by bureaucratic inertia and departmental ambition. A service left with a diffused and weak political direction acts according to its own rhythms. Projects multiply, new and non-essential services, regulations are invented, posts accumulate, costs rise and every year the gap between what we spend and what we can afford grows uncontrollably wider.

1600 When any of us tries to intervene as we must continue to try to do the system dissipates our efforts through endless working groups, consultations, watered down initiatives, committee protectionism, self-interest and sometimes, I am afraid to say, dubious and self-serving advice. Even when financial ruin is staring us in the face, as it is today, with just a small sum of genuinely available reserves which a crisis could wipe out rapidly we do not have the executive tools to respond. Even if every Member here wanted to stop this runaway growth the Machinery of Government is not built to do so.

1605 Sir, there are simple solutions but they require each of us, and this is another positive, I am exhorting everybody in the Assembly to have the courage, the courage to say, 'No, we are not spending that. No, you cannot regulate doggy daycare. No, we cannot afford X or Y and cannot afford the crippling internal costs created by years of painful delays in planning and procurement processes.' We need collectively to demand accountability, performance, productivity and a proportionate solutions-driven public service rather than one which constantly creates new processes and employs ever more staff to manage them in order to avoid making decisions or

1615 taking risk. (**A Member:** Hear, hear.) This Budget rather than facing our significant fiscal challenges honestly offers only another year of delay and avoidance, and I cannot blame P&R for that. They were largely handed really something that was already precooked.

1620 From my perspective personally to accept or vote for such a Budget is bluntly to derogate my first duty to those who elected me, to ensure the continued solvency, integrity and future capability of our Government. We have an obligation not just to balance the books but to demand and deliver the reform that makes fiscal discipline possible. We owe it to every Islander to challenge this broken system, name its flaws and force the harder debate on political and executive structure that must be the precondition for the continued sustainability of this Bailiwick.

1625 Sir, therefore and regrettably I will not vote for some aspects of this Budget. I cannot and will not endorse a document that represents surrender, a refusal to use the powers we ought to wield and a denial of our basic responsibilities. The blandness and inaction in this Budget are, I am afraid to say, an abdication of leadership for which we are all responsible if we support it, and I will not.

The Bailiff: Deputy Rochester.

1630 **Deputy Rochester:** Sir, unlike my scripted speech yesterday this one certainly is not but I just wanted to say that I will be supporting the Budget because individually I feel a responsibility to produce an alternative if I do not support what is put in front of me, to be constructive. I hope that I demonstrated that yesterday in my commitment to support the review of the Budget process and to make progress with the Auditor General concept.

1635 So I will support the Budget but it is interesting to me that I do not have an alternative and as I ponder that while I listen to this debate, and there are many valid points put forward, I was thinking about why I cannot currently present an alternative. I reflected on the fact that we have asked a number of big questions of ourselves in this coming year. We have asked how we can raise more revenue and we have put a short timeline on answering that question, which I applaud.

1640 We asked yesterday and today how we can control costs better and be more efficient, and again that is a question that we should ask but there is a question that we are not asking at the moment and I think it is that question that means that I cannot currently offer an alternative. It is what our national contract is, it is what we as a community want from our public sector. We are not asking the brave question, which is why we are trying to deliver Scandinavian public services when we only ask for a relatively small income by comparison to other jurisdictions. For me to conclude this debate without raising that I think very material point would be a shame.

1645 So I suppose it ties into my request of P&R in talking about that long-term vision yesterday and it builds on that in asking us all to reflect on whether we have to have an honest, brave and well-informed conversation about what services we can provide in the long term for our community, what services our community want us to provide and what the quid pro quo is in that in asking of Revenue to be creative and Income Tax and other taxes and duties to be contributed in support of those services.

1650 I appreciate that is a very big question that we cannot answer today, but I think it is one that at some point we will have to wrestle with. Unfortunately for us in the Health & Social Care Committee we have committed to wrestling with that very question over the coming term as we support the Government Work Plan ambition to deliver a sustainable health and social care system and start to wrestle those principles into submission. Because we very much recognise we have to make the provision of health and social care sustainable in the long term and so we will be addressing that question in the coming four years as I think it is a question that we all have to address sooner rather than later.

1655 **The Bailiff:** Deputy Sloan.

1660 **Deputy Sloan:** Sir, thank you; and may I also thank, through the Chair, Deputy van Katwyk for an excellent maiden speech.

It just may be of interest to let Deputy Rochester know that per capita we spend a similar level as the south-east of England on public services so just be aware.

1670 Sir, there are two former Treasury Ministers driving P&R's present fiscal approach and while I respect their experience, that is *[Inaudible 12.14.43]* those of us who have dealt with public finances before might recognise the definition of madness, doing the same thing over and over again and expecting a different result and we will because that is exactly what we are doing with this Budget, deferring decisions and hoping that the problem will sort itself out.

1675 Yesterday, sir, Deputy St Pier reminded us that this is his eighth Budget, his first, he said 13 years ago, faced the same issues. Sir, that is not continuity. That is the admission of collective failure across more than a decade. This Budget, as I repeated several times yesterday, presents a £115 million cash deficit, a £77 million structural deficit and yet it proposes to add to expenditure again at a rate greater than the Budget before that. Sir, that is not fiscal management. It is fiscal folly.

1680 This Assembly has been warned repeatedly and myself as the States' Economist in 2012. as I said yesterday. warned that our spending trajectory was unaffordable. Four years ago in another published report I again reiterated that public spending had grown at twice the rate in the current *[Inaudible 12.16.02]*. Nothing has changed. We are simply moving further down the same road.

Sir, let me shift to the economy, the tax base, because in all the handling yesterday about supposedly the inevitability of higher spending I heard very little reflection on the state of the economy we rely on to fund our spending.

1685 The Scrutiny Committee letter highlighted the absence of detailed macroeconomic content in the Budget and P&R acknowledged that in its reply yesterday, so there is no projected economic growth this year. Current estimates in fact imply a marked contraction and as far as I can infer little, if anything, is expected next year. Sir, this worries me.

1690 The cultural mindset on display yesterday that nothing can and should be done to stop above inflation public spending would concern me in times of economic strength. In times of weakness it causes me sleepless nights or it is the sort of thing that would do if I was of a nervous disposition.

1695 Sir, I beg the Assembly to humour me for a moment with a bit of arithmetic. I will make it easy. I will just use nominal figures, that is no inflation adjustments. I will compare ETI, our best proxy for change in economic output, with total revenue spending. Personal antes, by the way, have been broadly increased with inflation over the last 15 years and, due to tapering of allowances that is, what we might call fiscal drag will be in effect, they should have risen slightly faster than inflation since taking *[Inaudible 12.17.44]*. It seems the definition of rich is being lowered as the need to raise revenues increases.

1700 So now the numbers. In 2008 States' revenue spending was £296 million and ETI £152 million. Next year projected spending will be £650 million and ETI around £291 million. Spending up by a factor of 2.2, the economy up by a factor of 1.9 which is normal. It is not complicated arithmetic *[Inaudible 12.18.26]* but, sir, clearly that question is obviously rhetorical. We cannot continue to increase the burden on a shrinking tax base and yet listening to some contributions yesterday *[Inaudible 12.18.42]* was unthinkable.

1705 Sir, this gives rise to what I can only describe as *[Inaudible 12.18.46]* Deputy, the Deputy who exists in two *[Inaudible 12.18.53]* between fiscal analysis. One that will campaign against GST at the election yet somehow be voting in favour of larger budgets and above inflation spending increases. The quantum theory is just fascinating. In public finance it is simply unsustainable.

1710 Sir, my speech today and yesterday is not about ideology. It is not about harshness or kindness. It is about responsibility. You cannot run a Government on the assumption that someone else will pick up the bill later. Every time we say 'just this once' the hole gets deeper and the choices get uglier.

1715 On the topic of ugly consequences, several Members referred to a recent podcast in which horror was expressed by Matt Fallaize *[Inaudible 12.19.42]* the Deputy might vote against the amendment as a rejection of the *[Inaudible 12.19.49]*.

We were told clearly that this is not *[Inaudible 12.19.53]* simply shut down and the Budget simply *[Inaudible 12.19.59]*. Sir, that outcome is entirely consistent with the amendment made

yesterday by myself and Deputy Camp. It is the only fiscally responsible *[Inaudible 12.20.09]* so therefore I am perfectly comfortable voting against Proposition 20 in this Budget.

1720 Thank you, sir.

The Bailiff: Deputy Blin.

Deputy Blin: Thank you, sir.

1725 I have felt this has been very disappointing, and particularly listening to Deputy Sloan referring back to the work he did with members of *[Inaudible 12.20.42]* and that was not about slashing services. It was about discipline and accountability, signalling to the community and to the Assembly that it is willing to live within its means and earlier we heard from the President of HSC commenting and saying that he has taken on board a lot of what has been said by this messaging. I do appreciate
1730 that but I just feel that he always, and this being my second term and watching other Budgets, we just keep choosing that easier path. Now, the mathematics has been explained by Deputy Sloan and by others here and yet we still look at more spending but without the same determination to look for efficiency to drive productivity or to grow our economy sustainably. Again I will point it out that we do not have those things there so the feeling I have got this time is truly one of a lazy
1735 feeling. We keep talking about transformation but the instinct still seems to be to spend rather than to reform.

Then I always feel we hear we cannot just keep saying we will tackle the hardest things next year. Every year we talk about the *[Inaudible 12.22.08]* for the period yet every year spending rises so where is that proactive drive to deliver more with what we already have, to innovate, to streamline,
1740 to make Government work smarter and then, yes, that does include investing but we have to make those steps.

So, yes, there have been some positive elements but this is, for me, the first time since being elected in this Assembly and the previous one that I have found myself actually unable to support this Budget, and not because I reject its intentions and I have always been very much the team
1745 player who supports it and says we need the time but that time I feel has run out so I cannot endorse this happening because it lacks focus and the urgency. I was feeling that I needed to abstain, I was feeling that I needed to vote against it.

I will be listening to the others but it was Deputy Rochester who made an interesting comment that we cannot turn down a Budget unless there is an alternative. I agree with that and that is why the idea of not moving an alternative Budget was *[Inaudible 12.23.27]* as we know within the Assembly I work on a *[Inaudible 12.23.34]* which I appreciate this is not the *[Inaudible 12.23.37]* but it is strong and leads to a longer term one and there are other driving factors, and I watched our President of Economic Development clearly this term has already followed on from Deputy Inder's work but continued with the good strength. But it has not shown in the figures there
1755 so I will, as a matter of principle, make a stance there. I know it will not have an impact on everything else, sir. I am really concerned about the direction that we are travelling.

The Bailiff: Deputy Strachan.

1760 **Deputy Strachan:** Thank you, sir.

So far in this debate we have had much discussion on tax and this makes sense as these are complex issues with trade-offs and behavioural nudges that impact Islanders in a multitude of ways. The income received from extra taxes needs to be properly balanced to pay for government programmes and neither distort our economy unduly *[Inaudible 12.24.41]*. We must clearly focus
1765 on reducing expenditure where this is possible and more importantly focus on increasing efficiency which I see as a priority for our new chief executive.

However, there is also another area of income we have not touched on. With my background as an investment specialist it will come as no surprise that I have spent time considering as best I can how the Budget treats investments, the returns that these investments earn and how we as an

Assembly scrutinise them. We have as an Island a net asset balance sheet of around £4 billion so the income on these is material. We have made references to the structural deficit and the cash deficit but both of these terms as currently set out in our Budget ignore investment returns. They are not cash, hence not included in any cash deficit definition yet the investments are, for the most part, highly liquid and able to be turned into cash with a few days' notice. It is absolutely standard modern practice to include income from capital appreciation, realised and unrealised, as to the returns. We are told these returns are too volatile to be included in the structural deficit. Stock markets, investments, can rise and fall though although through no fault of our investment managers these are unpredictable on a one-year basis. These are not small numbers. Returns were roughly 8% last year and are heading toward 8% this year and make a meaningful difference to our Budget. To put this in perspective on the two major investments, this is around £270 million per annum yet with three years now of very healthy investment returns they get curiously little light and hence discussion.

To be clear, the Budget notes for investment returns are:

... adjusted out of the core structural deficit calculation.

The reason for this as expressed in section 4.25 of the Budget is that they are highly volatile and not guaranteed. As I said this is true over a one-year period. However, Guernsey is an outlier in not including investment returns in our structural deficit. Both the IMF and the OECD consider these should be included in the calculations of a structural deficit. Investment returns are certainly not cyclical, in other words we will receive these returns no matter what the business cycle. It is quite possible in standard practice to smooth the returns out over a number of years yet being neither in the structural deficit nor the cyclical deficit this significant source of income is whisked away from our attention and simply noted in the accounts afterwards and hope for the best next time.

Ignoring them is the opposite of making our assets square. They are very real forms of income for the Island and should be considered in full during the Budget process and the subsequent allocation of capital in the work plan. This is one of the many oddities of our short-term budgeting process already touched upon by Deputy Rochester. I would agree that our short-term annual budgeting process is not serving us well. As such I would like to add investment returns to her black box that needs to be scrutinised.

My belief is that if we move to medium-term Budgets, say a rolling five years, it would make much more sense to include the average investment return on a conservative basis and keep them as part of our key tools when considering income and expenditure. Furthermore, we can then better understand and model scenarios where we have above and below expected returns.

So what else would moving to medium-term budgeting help? Well, it would mean we consider properly how our short and medium-term initiatives would affect our finances and the general economy. Deputy Sloan sought to amend the Budget from *[Inaudible 12.28.34]*. I believe the sledgehammer procedure and its application has serious implications for growth and the standard of living. Control of expenditure is of vital importance but not in this manner nor on this timescale. We have time to wait for a proper process, the tax review and *[Inaudible 12.28.53]* proceeds. The current Budget provides us with this time.

A medium-term budgeting process could build these savings up from the bottom up and allow Committees to plan for the future, not just for next year's Budget with no visibility as to whether or not any specific initiative would be funded two years hence, but it would also allow us to plan for medium costs for items such as the NICE TAs to be better modelled and understood. Action on this could be best described as more of a targeted scalpel approach than the sledgehammer approach proposed yesterday in Amendment 1. I, for one, will be addressing why there has been a significant increase in the *[Inaudible 12.29.32]* being paid over 110,000 of them, 261 staff members in the States in 2023 *[Inaudible 12.29.42]*. We apparently cannot afford street cleaners in exchange and I will also want to know why the estimated figures for these staff payment levels are not available for 2025 and 2026. I would have thought they would be a central part of the Budget.

An improved budgeting process would also allow us to consider the capital spending and budget at the same time and better scrutinise the interplay between the two. We could then understand the capital outlay with resulting savings now or later and to highlight well in advance when our estimates are going wrong and to tackle them prior to any process.

It would show the impact on growth and level of demand. Capital expenditure is an element not currently considered. So what would considering investors need to opine? We should be actively challenging assumptions on where this investment income is spent, where the assets lie and how do we invest it? For example, when we look at the 2024 accounts we are told that we have a surplus in the Guernsey Insurance Fund and the Long-term Care Insurance Fund. Coincidentally both have £27 million of surplus totalling £53 million. I am told by officers that any surplus in these two funds must be retained by them in accordance with the provision of their respective laws, the Social Insurance (Guernsey) Law, 1978 and the Long-Term Care Insurance (Guernsey) Law, 2002.

However, my quick review of these laws indicates we have control over these decisions. Yes, we have an ageing demographic which will have increased long-term care needs so do these funds need more reserves or less? But assuming they are true surpluses why are they sitting in these funds and why is there a surplus? Are the investment terms not being used when we have a structural deficit? As a new Deputy I know there is detail behind these I do not have access to but what I am asking for is that we look more closely at the investments and their returns to give us clarity as to whether they are truly being made to work potentially reducing borrowings and deficit and responsibly investing for future growth.

I would urge the Policy & Resources Committee, which I am grateful to hear have agreed to consider the budgeting process, to include this in their consideration. So, one, I would ask moving to a five-year budgeting process within the proper model. This would then allow for, two, the inclusion of investment return from our structural deficit calculation and would reveal how our investments and returns are being utilised. Without these changes which would bring more financial accuracy I do not see how we can in all faith discuss major tax changes.

Next, I want to move on to my concern with one of the Budget foundations. This will be a seemingly deeply unpopular route but I am passionate about pensions and encouraging people to plan for their retirement across all social groups. Indeed, I was honoured to sit on the Governance Committee for the successful secondary pension scheme, Your Island Pensions. Proposition 3 reads as follows:

To agree that the annual tax-free lump sum for a pension scheme remains at £203,000 for 2026 and future years.

This seems on the face of it to be an easy way to continue to erode the benefit of Islanders but the lump sum payment relief has been at its current level, £203,000 since 2020. If it had kept pace with inflation it would now be £253,000 due to inflation of 25% over this time period. As a comparison a tax-free lump sum allowed *[Inaudible 12.33.11]* pay is £268,000 so currently Guernsey at £203,000 is already comparatively low. Limiting any future increases is presented as saving us money being a tax that would have been paid. In fact this view is naïve and symptomatic of the short-term cashflow based on our overall budget. It is quite possible to show that the tax eventually received on retirement *[Inaudible 12.33.34]* is a large multiple, about 13 times of a taxable *[Inaudible 12.33.37]* on a lump sum payment because tax is effectively paid, Income Tax, on capital gains, which is not taxed. In fact not only is it a great scheme for *[Inaudible 12.33.49]* put aside but can be legitimately presented as serving the rich as well as supporting our ageing demographic. We should be encouraging maximum participation in the scheme across all levels of society.

Ironically if we reject Proposition 3 then the cap decreases to a level of £198,000 which is set in legislation. I would ask the Policy & Resources Committee to think again on the perfect level of this cap and encourage this to keep step with inflation in the 2027 Budget.

Finally, I would like to reply to Alderney Representative Hill on his comments on the amount of the overseas aid budget. This is a complex discussion that I would be happy to have with him in detail but, in summary, I would note that contrary to his point, every small town in the UK does

1875 contribute to the UK overseas aid budget through their taxes. In Guernsey we engage directly for ourselves on the world stage and the very small part of our Budget that is devoted to help those that are destitute is an important piece. Indeed, we are just now discussing how we in a small way, the Commission, can help out those lives devastated by Hurricane Melissa to help islanders in the Caribbean. The overseas aid is a function of a States' resolution to dedicate a tiny per cent of the Budget for those far less well off than we are. It is an expression of our values and I am proud that as an Island we are able to do this.

1880 **The Bailiff:** Well, Members of the States, we will now adjourn until 2.30 p.m.

*The Assembly adjourned at 12.35 p.m.
and resumed its sitting at 2.31 p.m.*

**The States of Guernsey Annual Budget for 2026 –
Debate complete –
Propositions carried as amended**

The Bailiff: Deputy de Sausmarez.

1885 **Deputy de Sausmarez:** Thank you, sir.

I thank Members for what has been overall for the last day and a half a very useful and interesting debate. I say that with real sincerity because this has been the first opportunity that we as P&R have had to really gauge some of the opinions in the Assembly on these matters, and I think it has been particularly interesting and helpful that the debate has often strayed much more widely than the Budget for 2026 because we are all very conscious, none more so than those of us on P&R, that we have some very significant and fundamental questions to answer, and more of that in a minute.

1890 Deputy Helyar advised newer Members to keep their speeches. Well, I keep everyone's speeches via Hansard and I agree it is really useful to be able to go back and see what you said, what other people said and it is going to be one of those times. We are the Assembly. The buck stops with us. 1895 It is our feet that are going to be held to the fire. We have to be accountable for the decisions that we have to take and I think this debate has also been a microcosm, some of those tensions, because Deputy Sloan used a fantastic phrase. He talked about people who hold two contradictory fiscal approaches or views of something simultaneously, and we have seen some of that play out in debates today in the way that people have voted. For example, I think the vast majority of people 1900 who voted for Amendment 1 also voted for Amendment 4, and superficially those two things can contradict in terms of their fiscal values. So I think it does show that politics is messy, it is difficult, it is challenging. There were lots of different considerations in play and this is only the start so it has been genuinely interesting.

1905 For me listening to debate there are two key things. There are probably more but the two I want to focus on are fiscal responsibility and hope. Deputy Niles spoke yesterday and again today about fiscal responsibility. I would urge him and others to please not take an overly simplistic view in terms of previous voting records on one singular issue about fiscal responsibility, and bear in mind that there are lots of people, including every member of P&R, who has voted for very significant revenue-raising measures. The objections, and I think they were entirely legitimate objections, are about how that revenue is to be raised and that is what is at the crux of the political challenge that we face. I would please urge Members not to oversimplify issues and I would like to think that every single Member of this Assembly is fiscally responsible and will prove to be fiscally responsible, and 1910 I would also like to think that everyone in this Assembly can accept and appreciate that there are legitimate differing views on how that fiscal responsibility can and must be achieved.

1915 The other thing was hope, and I am possibly well known for my sometimes ebullient optimism. I like hope. I think realism – if I had to add another theme in here, it is realism and I do think the two go hand in hand. I thought the stand-out speech of the day or one of the stand-out speeches of the day and certainly there have been many good ones and I commend everyone who has done their maiden speech during the course of this debate as well, has been that of
1920 Deputy Hansmann Rouxel. Her speech was absolutely fantastic for reminding us how we end up facing the cost pressures that we currently face, so how they arise in the first place and that is something that I would like to just elaborate on a little bit. She used a couple of different examples but I am going to give a few from some chunky areas of States' overall expenditure.

States' pensions, so in 2004 we spent, and these are nominal values by the way but I will bring
1925 inflation into it, in 2004 the States of the day spent £55 million on pensions, the state pension. In 2024, 20 years later, the States spent £170 million on pensions and that is 19% of the overall States' expenditure and that is an increase of 5.8% year-on-year average when the inflationary increase over the same period was 3.1% average inflationary increase. So by the end of 2024 there were 19,000 people receiving a States' pension which was up from 15,700 in 2011, and interestingly 30%
1930 of those in receipt of the States' pension in 2024 lived off Island. That though is expected to rise to over 22,000 people by 2043, which will cost in today's money £200 million. So these increases are not driven I am sorry to say in a way by the States' velocity. It is not that individuals are refusing significantly more or much higher than inflation increases. That is not what is driving that increase. What is driving that increase is demographics. The fact that there are more people who are living
1935 longer and who are eligible and these, say, from the ESS perspective are actually receiving the States' pension.

So I know it is boring and I know we have had a few comments about, 'Do not just give us the demographics' but I am trying to illustrate here how absolutely material the demographics are to the cost pressures that we face on a day-to-day, year-on-year basis. Long-term care is a smaller
1940 tranche but it is very important. In 2004, we spent £8.2 million and, in 2024, we spent £25.5 million, so that is an average increase of 5.8% every year and, again, that is not necessarily because we are being luxuriously generous towards them.

Health & Social Care, I think, is the most well-understood example. In 2004, we spent £101 million. In 2024, we spent £242 million. That constitutes 27% of States' expenditure overall
1945 and, again, it is above inflation. Deputy Oswald made the point that we are aware of net inflation which tends to run higher than average inflation. So these demographic pressures are real.

In 2023, there were around 13,000 people of pension age living in the Island and, of those, about 1,874 were over the age of 85. Deputy Oswald, I am sure, will remind us that actually that is an important marker because that is the age at which people, on average, tend to need much more
1950 expensive care because their problems are more complex, etc. In 2033, we anticipate that that number will be around 14,500 and the over-85s component will be upwards of 2,500 and, in 2043, we are expecting it to be 15,000 people of pensionable age living in the Island.

Remember that is not the total that we pay pensions to and, of those – this is the very significant bit – there are over 3,100 people over the age of 85. So, actually, when we think about it in that
1955 context, the fact that the Budget for 2026 is only 0.4% in real terms but actually if you look back over the last 10 years, in real terms, the Budget has only increased by 1.1%. So, actually, in light of that bigger picture and that real increase in cost pressures, which is material, I think actually the States' budget has done well to only increase on average by 1.1% in real terms.

We have talked about Deputy Rochester who did a good job of drawing in the bigger picture so, ultimately, at the end of the day – I was asked a question in an interview recently, 'Could we not have a much smaller Government?' Yes, of course we could. Yes, of course we could spend an awful
1960 lot more, but I think it was someone like Deputy Williams, maybe, pointed out that actually every time we do propose ways to spend less the community is up in arms about those services being cut, so that is not easy either.

1965 It is really easy to ask people the question, 'Would you like to spend less?' It is so easy to say, 'Yes, of course' but actually what becomes very difficult and challenging is to say, 'Okay, well, what

would you like to spend less on? Do you want to have less of this public service or this form of support?' So really that is the challenge that P&R as the Committee and ultimately this Assembly faces.

1970 Deputy Rochester was quite right to ask that bigger question, and I can assure her that that is very much something on P&R's agenda. We do need to look to what we want to achieve in the long term and what kind of society we want to be. That is something that is actively on the agenda and has to go hand in hand with the work that we are doing on the tax review; so that really was the point.

1975 I think a lot of the debate that we have had today on the Budget for 2026 – for which I extend my very grateful thanks to all the officers who have worked so hard in forming this, all of the Committees and other Committee members, other Assembly Members who have helped shape it and, especially Deputy St Pier who, despite a normally timed holiday, has actually turned up on the day, so I am very grateful to him - has touched on that bigger question.

1980 It has looked to all that much bigger bit of work where we are going to have to balance, as an Assembly, the services that we want, the revenue that is going to involve and the ways in which we think it is most appropriate to raise that revenue. Those will not be easy decisions to make but they are profoundly important but, in the meantime, I hope that people will take a fiscally responsible approach of actually giving us a budget to do anything at all in 2026. So I would urge Members –
1985 appreciating and respecting that the individual Members may have different views and different Propositions – to support the Budget.

Thank you.

The Bailiff: Deputy Kazantseva-Miller.

1990 **Deputy Kazantseva-Miller:** Sir, I am going to try to have optimistic notes that will have been proposed by Deputy Helyar but I was hesitating to deliver at the front or back of my speech. I think for the completeness of the picture I think it will have to be at the end of the speech.

1995 The desire for spending constraint has been there and, as Deputy de Sausmarez said, I do not think anyone does not want to make the right choices. Certainly, in the last Assembly, we had numerous attempts and formal resolutions to which the Assembly voted for savings Propositions.

2000 I already mentioned in one of my previous speeches to the Budget that in October 2023 we voted to go for the full packages of measures, which was a package of measures equivalent to about £35 million of additional expected revenue income, together with a target of between £10 million to £16 million of savings.

2005 I want to remind all Members that have been re-elected, except Deputy St Pier, who voted unanimously for that Proposition of full measures. The only person who has been re-elected in this election who did not vote at the time for the full measures is Deputy St Pier. I know he had reasons for that but just the fact he was the only person out of those who had been re-elected who has not voted for those full measures. I think it is probably fair to say that I am not sure if any that package of measures has materialised.

2010 The other Proposition that, again, was pretty much unanimously voted for by everyone who has been re-elected, except Deputy Inder, was last year in the Budget debate and that was Proposition 28, which was about to agree tier 1 savings to be investigated and this initiative to be investigated further and, where possible, changes to be implemented as needed. So, again, only a year ago, there was pretty much again a unanimous support ensuring that we were undertaking savings through the savings work that was undertaken by the previous political term was progressed.

2015 In this Budget, there is no mention of that work that was undertaken by the previous Committee. There is no mention that that Proposition in relation to tier 1 savings should be rescinded. There has been a new way of how we should deal with the savings. The cynic in me is basically saying we have waved the flag on our savings efforts. We have had multiple chances, to which we have officially approved well-intentioned work to progress savings, but they have not materialised.

I was on the Savings Sub-Committee in the previous term, which was formed by the first iteration of P&R, which was then moved to a vote of no confidence. If I was to be a cynic, to be honest, sometimes I get the sense that the new P&R that was elected after the vote of confidence had actually no intentions of honouring that kind of work and it was left to only one. I am afraid that, despite the unanimous approvals by all re-elected Members, bar Deputy St Pier in the previous situation of a similar vote, that work has not progressed. All of us have been on different Committees, P&R, etc., and that work has not progressed.

So there is the wider question that despite the resolutions that we have continued to have, despite the will of the Assembly, why are we not able to progress that work? Yes, we hear about the demographics, yes, we hear about all the challenges we are facing, but I think Deputy Sloan was absolutely spot on. Those are factors. They are not an alibi. But we have known and what is increasingly most depressing is we are having the same debate year on year.

Deputy Sloan pointed to the fact Deputy St Pier has had a similar debate for the last 10 years. Deputy Helyar pointed to the same issue. So when are we going to be able to address the issue around spending restraint? I wonder, and I have spoken to the fact that I feel the current process of how we make fiscal decisions is completely inadequate. It is currently fragmented into five, six and seven different policy debates that we have each year.

I spoke about the minimum wage debate, contributory benefits, non-contributory benefits, budget, tax debates, Funding and Investment Fund debates and the Government Work Plan. This process is completely fragmented. Deputy Strachan just spoke to us about how investments decisions – actually, sorry, I thought of another process – the accounts debate – because that is where the investment position is currently outlined. It does not appear anywhere else so actually, sorry, there is more fiscal debating events than I actually originally thought.

The process is completely fragmented in terms of how we make and when we make fiscal decisions that make short, long-term and medium impacts. We talked about how we build the Budget process is inadequate and *[Inaudible 2.50.32]* that Deputy Niles will review the Budget process that we might be able to have a more bottom-up process. That is great but, again, we have spoken about these issues in former years. Are we really going to make a difference?

When we look at the Budget process, there are still many decisions that are so far out of Deputies' control, for example, pay *[Inaudible 2:51:00]*. They sit completely somewhere else in the Budget, currently under P&R, we have got absolutely no say over that.

In fact, over the last political term, we had no presentations from the HR function whatsoever. Zero. So one of the most critical enabling parts of the Government that controls the pay functions of the States, Deputies had zero exposure to the HR function of the States.

So are we basically, in our current system of Government, set for failure? To some extent, I am sympathetic but the current P&R, as Deputy Helyar said, has inherited a Budget that was put in motion by the previous P&R. It was supposed to be a new P&R that set a new way of doing things but we have just got a bit of the same. So I am not in their position. Equally, at what point are we going to make a difference?

Yesterday, Deputy Sloan and Deputy Camp I think made a very valiant attempt at bringing an amendment to restrain expenditure. I did not vote for the amendment but I do not think I disagreed with any word that they said or actually anyone else who was voting in that amendment said. My issue was that it was a blank instrument which is penalising a couple of special Committees, which I think was disproportionate.

But I think that brings me to the point is that, as an individual Deputy, it is extremely difficult to come up with an amendment to the Budget that could help with debt, the consultation, the expertise that is needed to bring the fiscally prudent amendment to the Budget. It should not work for an amendment to the Budget, and I think they probably did as good of a job they could. Actually, I think they got a very good vote of confidence in that amendment, and I think they have done the best job that they could.

This process should not come to amendments but when we are faced with the option while voting for the Budget or voting against it, it should not be based on the premise, 'We should have

done some other work' and wrote down an alternative because the Budget process is so complex, it has to be vested in whoever is responsible for bringing it.

So I think if you are currently faced with the option of, 'Why did we not come up with an alternative?', I do not think it should be up to Deputies to come up with overarching amendments that are fundamentally amending a Budget to the extent it has to come through *[Inaudible 2:53:50]* this process.

There are parts of the Budget that we can look and focus on. Maybe some of the principal duties, but there are parts of the Budget that are a bit of black hole. One of those budgets is actually – we talked about this Budget is under the radar and I think Alderney Representative Hill pointed to the fact that it is now £5 million *[Inaudible 2:54:25]* and something we should actually be looking at.

But there is another area which I do not think we talk enough about, which is very significant in terms of efficiencies and expenditure of the whole States of Guernsey. Actually, the second largest area of spend, which is controlled by a political Committee is not Education. It is not Employment & Social Security. It is Central Services with P&R.

So the total combined budget of that is £109 million. That is the second biggest area under political control where money is spent, but how much do we know about Central Services? That area spend has been massively increased over the years. Yes, it has come off the back of some of the centralisation initiatives that were started in the previous political term but there is a real question about what is happening in those areas. Is it value for money? Is it really supporting the principal Committees to execute on their mandates?

My question is, if P&R is supposed to be the Committee that is holding funding pursuant to other Committees, who is scrutinising P&R (**A Member:** Hear, hear.) in relation to the budgets that has been consistently given an increase in that area? I think that is a Government issue that should be addressed in that area.

So I think if Members are facing the difficult position where they feel they cannot support the Budget, there are Propositions that we should be looking at, which is Proposition 20, which is the one that is looking to authorise overall expenditure.

So I do not think you should be willing to say, 'Do not vote for the Budget because it is irresponsible,' I think sometimes we are faced with choices where you have got to make the decision. (**A Member:** Hear hear.) What happens, and that happens in other Parliaments, is that P&R would be forced to come up with an emergency budget, which has never happened before, but it can happen because perhaps we need to stand strong. I do not think I will be voting down that Proposition but I do not think Members should be afraid not to vote for the Proposition.

On a positive note – because I think I am running out of time – there are a few, I think, key elements which I think are very positive and show where we can be listening to economic signals to make the changes through our Budget process.

I want to stick to Proposition 6 which in in relation to agreeing the point of taxation in relation to share awards. So this is the piece of work that is touched strongly from the members of the tax community and *[Inaudible 2:57:25]* that we have worked with and we have consultations with Members and technical entities of the tax association, we have progressed at the time.

I am very grateful that P&R formed their presentations brought forward by the Committee for Economic Development. It is quite a secondary position. I just want to say, it is really positive news. It might not look it, but I think it actually can make a difference in terms of companies, not just for actually bigger companies making share awards and having those incentives *[Inaudible 2:58:00]* seen as quite small but I think it will be really positive. I think we need more of these kind of levers and incentives.

I also wanted to compliment the Committee for firming the proposals in Proposition 4, which is in relation to basically making sure distribution of companies are being taxed properly. I know it is an issue that Deputies, like Deputy Goy, have been raising and, hopefully, the positions like that really look to show that the Government is really *[Inaudible 2:58:39]* that are effective being addressed. So, yes, I do not think it has been an easy debate, but I think it really starts serving as a call that we just cannot keep going and having the same debate year after year.

The Bailiff: Deputy Laine.

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Deputy Laine: Thank you, sir.

A lot has been said about the inevitability of some of the headwinds that we face and medical inflation, etc., and I do accept that, but we are not very good at putting our hand up where I think we should. One of those areas is around the impact on this Budget and subsequent Budgets and Budgets before on our inability to tackle the housing crisis.

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So what has the housing crisis got to do with a Budget debate? If we had built the number of houses in the last five to eight years that we should have, we would probably have got something like up to £30 million in Document Duty. We may have increased TRP by 5%. Those are big numbers. But we would also have less young people leaving the Island. Talking to Deputy de Sausmarez's point, people would be more likely to have money in their pocket to pay those extra taxes if we had addressed the housing crisis.

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With regard to Deputy Ozanne, she would be less likely to be paying in rent five times what she is paying for a mortgage in the UK had we, successive States, dealt with that housing crisis. We would have less xenophobia than we have today in that the housing crisis is feeding unhelpful xenophobia that is not Guernsey. We would have less of a social media backlash. We would probably have less requirement to pay essential workers a housing subsidy because we would have had a grip on our housing costs. Those essential workers that did receive a subsidy would be more likely to stay here and buy a property.

2140

We have talked about the increase in labour costs but these are reflected in the reality that people have to live, they have to pay the rent and they have to pay their mortgages. We know that poor housing leads to, as the President of Health has said, poor health outcomes and illnesses, etc. What we have to realise is that housing is intertwined and this Assembly's failure to deal with it over the years has an impact on some of the things today.

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What can we do about it? I am not optimistic that, into the future, we are going to deal with it particularly quickly because housing is a task for strategy and strategies, by their very nature, take a long time to develop and a long time to deliver. So I do not see any rapid improvements in the States but we should at least acknowledge the fact that we have a housing crisis which is impacting our budget in many more ways than you and I have just talked of over the last five minutes.

2150

I think we are more likely to fix it with tactical fixes than we are to trying to tackle it at the moment. What can we do in the short term? We have not facilitated. We had those changes to planning where housing is restricted to these town centres or these village centres, and I have no issue with that, but we fail to put any guardrails around that and the houses have not been built. I will just finish that my generation had the birthright to build their own house. People built their houses, and there are lot of people that did, but to be robbed of that.

2155

There is just massive land banking now. We do not need to build people homes. We just need to give them access to plots. We have got massive land banking which results in the few plots that come up at about £400,000. Even small builders cannot build one to three houses and no one wants to take the risk on the big plots. Sir, I am in danger of drifting off the Budget but I just really want to bring to everyone's attention that the housing market and how we deal with that has a big impact on future affordability of what Government wants to spend money on and what the citizens can pay.

2160

Thank you.

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The Bailiff: Deputy Williams.

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Deputy Williams: Thank you, sir.

Back in January, I attended all but one of the meetings run by SACC, which were over in St Martin's, for the prospective people candidates who were thinking about standing and, at that point, I was not committed, but it was interesting. One of the more entertaining evenings was when

2175 we had the Chief Economist and Treasury lead Civil Service-wise talking about the financial position of the Island. Actually, it came as a bit of a shock when the graph came up and they said, 'We are running on deficits. Actually, in seven years' time, we will have used up all our reserves.'

2180 It was a bit like you cannot believe that the public do not know this. I was an avid reader of *The Guernsey Press* and local media without mentioning all the other media obviously. But I do not really feel it is out there in the public domain that the public understand that we are actually just using up all our reserves. By 2032 in seven years' time – actually that is a little bit less now – we are going to have used up all those reserves and we are going to be penniless and we will be borrowing to try and just fund the deficit.

2185 My feeling is, yes, this is a really top priority and, obviously, this Budget continues to run the deficit situation. I have obviously a lot of sympathy with the new P&R because I know, sitting on a Committee, all of a sudden just literally three or four weeks into the job, we were presented with budget discretions. We were still learning about what our mandate was and what we were responsible for and finding out what other Committees had been doing, particularly as Housing obviously have two lots of elements; the private and the social housing element.

2190 So I think it is a top priority and I think a lot of people have said what we need is to have a worked up savings plan. I had sympathy with the amendment in terms of trying to get a message out from Government to the public to say, 'We are starting to take this seriously.' But it was very blunt and to have something that is workable, we need Committee buy in and we need individual Committees taking responsibility to either freeze or cut costs ideally, but we need a proper worked-up plan.

2195 I think it is a massive urgent priority for us over the next few months to be working on that, all of us, in order to be able to see what we can do. Part of that is resetting expectations with the public because, inevitably, everybody wants everything but somehow someone else is going to have to pay for it, or we do not want to pay any more ourselves. Interestingly, on the electioneering trail, when you are knocking on doors, it depends on people's circumstances as to, 'How are you going to pay for these services?' 'Actually, I am in this position so tax the rich or tax someone else' and it is always someone else gets taxed but we would still like all the services.

2200 We do have to set expectations. You cannot have everything and not pay for it or we decide and we prioritise or user pays in a lot of ways. We have just had that conversation on Health, and this is a big area that needs to be looked at. That is only ever going to go one way so we do need to set out choices for people and say, 'This is available, this is not available, and we have to all sort it out together.' So we have got to set expectations with the public.

2210 I think Deputy Rochester mentioned that earlier and I agreed with her entirely. It is all about those choices on what we are going to spend our money on and how people are going to be taxed and how they are going to pay for it. So let us all have a worked-up plan. We do not want to be here in 12 months' time going through another Budget which has another deficit. I appreciate there has been a lack of time in the lead up to this, although obviously some people were working behind the scenes in terms of the Civil Service supporting P&R, so it will not come as a shock to them. Let us have a worked-up savings plan to try and sort this out.

2215 Thank you.

The Bailiff: Deputy Goy.

Deputy Goy: Thank you, sir.

2220 I have been an engineer for a long time and one of the things that an engineer knows is that when you see a warning sign on any device, any machine, your computers, you need to look beyond that warning sign and see what is actually the root cause of the problem. Whether we like this Budget or not, it is nothing but a warning sign. What you see today is a warning sign. It is a report card of certain things that are happening around Guernsey, especially within the Government.

2225 So as an engineer I try to look into the details of things, the why, the root causes of things, and I have identified four key failures, and I would like to share them with you today, the four key failures

that lead to our fiscal dilemma today. The first one is the failure to tax fairly. Secondly, the failure to spend wisely. Thirdly, the failure to invest beyond finance. Number four, failure to look beyond the UK and Europe for investment. Now let me explain to you each point one by one.

2230 First, the failure to tax fairly. We all know there are tax loopholes; it goes without saying. Deputy van Katwyk was saying he finds the tax cap for the high income earners unfair. I absolutely agree. But I wonder if Deputy van Katwyk knows that the richest people do not even have income, and it is not on paper. Or if they have income it is a token income. So the tax cap that Deputy van Katwyk talked about is actually meant for high salary earners. A lot of very rich people
2235 on this Island who live on this Island, use our facilities, have little to no income on paper, and this is why on paper they are poorer than a church mouse, and this is why the States cannot tax them because there is nothing to tax.

Where did they get the money from then? There are ways for some of the richest people to put money into their pocket without it being classified as income. This is something that we as an
2240 Assembly need to look into ASAP. That is one of the ailments of our system at the moment: the unfairness that the people are actually railing against if we care to hear.

The second thing from failure to tax fairly. No tax deterrents on property hoarding. As you know, in 2024 there are 111 vacant properties on the Island. There are possibly more but the ones they were able to identify were 111. God knows how much land underneath these vacant properties, as
2245 Deputy Laine said earlier. There is a land banking drive, a desire by some of the richest people to buy properties and leave them empty. Do you know why? Because they do not even need the rent. They just leave it empty; it is better than putting it in the bank and get 2% to 3% interest and lose out on inflation, which is 4% to 5%. So they buy properties because they know they will go up in value no matter what. It is hedging.

2250 This is why very early on I tried to encourage the President for Housing to consider a monthly levy on vacant property. That will give us quite a bit of income, and it will also give the people of Guernsey a lot of satisfaction and feeling of justice.

Failure to spend wisely; let me elaborate on that. First point, non-tech people making tech decisions. This is how we end up with a £135 million IT debacle. When you have the most technical
2255 people doing the work and the non-technical people managing them you have a problem. It is the non-technical people, the management, that are making those tech decisions and I, as an engineer, can tell you it absolutely happens. Throughout my career as an IT engineer I have seen countless times upper management making crazy decisions that engineers will all shake their heads, but it goes ahead anyway. I do not have time to go into details but this is one of the biggest waste of
2260 money.

Secondly, extravagant spending on consultants. That I do not have to go on any further because we have spoken about this many times. Thirdly, too many captains and not enough crew. The States is top heavy. Too many six-figure salary chiefs, senior officers, and yet they still need consultants. Next, failure to invest beyond finance. We have not invested in finance for a long time. When
2265 I say 'invested' I mean even in education. This is why today we find it difficult to attract companies around the world to invest in Guernsey. Why? Let me tell you something, I have heard this thing about, 'Oh, Guernsey can be a great place for testbeds for Tesla and Google and this and that' but you know what, these companies will come in and say, 'Hey, do you have the engineers I need?' 'No.' 'Do you have the scientists I need?' 'No, we only have accountants and lawyers.' 'In that case
2270 I cannot really do much because I have to pull the engineers from my home country and they might not want to leave their home country, and you have to give them more money to come to a foreign country.' So they do not want to invest in Guernsey. Why? Because we do not have the human capital for it.

Last one, failure to look beyond the UK and Europe for investment. For goodness sake, this is
2275 the year 2025, guys. The power of the world has shifted from the West to the East. The biggest economies are all in the East. Have we actually gone to, say, China, Korea, Seoul, Japan, Singapore and asked them, 'Hey, we have got this beautiful country called Guernsey, we have got a great environment here, would you like to come and invest? Tell us what do you want to do in our

country?’ Have we done that? No, because we have only looked to the UK and we have not gone beyond Europe.

These are the four biggest failures and I am only the surface. Anyway, I will give it a rest. Thank you very much.

The Bailiff: If no one else wishes to speak in debate then I will turn to the Vice-President to reply to the general debate please.

Deputy St Pier.

Deputy St Pier: Yes, thank you very much, sir.

Sir, a reasonably lengthy general debate but I am going to confine myself really to responding to some of the items that are specific to the Propositions, because obviously the debate has gone into many other areas. Before I go any further, I should just declare an interest in paragraph 5.82 which talks about proposals for TRP on outbuildings being increased. I am negatively impacted by that, albeit I did recuse myself from the Committee’s decision.

Deputy Kazantseva-Miller, I think I too did not support tier 1, only because I was not present, but just for the accuracy of that. However, the tier 1 initiatives do really largely sit with the Committees and I think quite a number should be being progressed. I think the transport, for example, with E&I, I think those are being progressed, so I do not think they are completely dead and buried.

Deputy Inder was yet another – without him really appreciating it – providing enthusiastic support for a Forward Guernsey policy, which of course is encouraging the regeneration of brownfield sites by trialling lower waste disposal fees. His call for action there to help clear land is again something else that I would agree with him. It is interesting how much Deputy Inder and I actually have in common.

Deputy Hansmann Rouxel, I think what I really took away from Deputy Hansmann Rouxel’s bracing speech was I think she reminded the Assembly, but also perhaps me, that I have actually been right on a number of occasions in foreseeing problems that were heading down the tracks as the result of initiatives driven by requête. However, I think it was an entirely appropriate and excellent speech, particularly from the President of SACC, of warning of the challenges and the implications of measures which we might all enthusiastically support either through amendment or requête, which was the point that I think was very much focused on in her speech.

Alderney Representative Hill, others have mentioned this, the question of overseas aid. The UK target of course is 0.7% of GDP, albeit as said by Representative Hill, set by former Prime Minister Cameron and the current Labour Government have tweaked that target to include other Foreign Office expenditure. The target for Guernsey is 0.2% of GDP. We are currently at 0.16% of GDP and the £5 million or so for the Overseas Aid and Development Commission is about 0.8% of our total general revenue expenditure.

But as Deputy Strachan referred to, this is because of the resolution of this Assembly that that sum should be on an escalator. So if Alderney Representative Hill or indeed others do not support that then they do need to bring an amendment at some point to this Assembly to change that direction. If that is the will of the Assembly then clearly P&R would reflect that in the Budget proposals. But the point is, we as P&R are acting under a direction of this Assembly in putting that proposal to the States this year in the Budget Report.

Deputy Strachan also referred to investment returns and, in particular, why they are not included within the structural deficit calculation. I think it is a valid observation. The point that there obviously has been significant movement in investment returns is not a sufficient explanation for their absence from the calculation, because clearly that the calculation for structural deficits is intended to be a long-term measure of what our deficit is. Therefore, some kind of assumption around assumed average returns we would expect to see in that.

However, I think one point which did not come out of her speech, which I think does need to bear consideration, is of course our fiscal rules do provide that we should be seeking to maintain

and increase our reserves. Therefore, actually the sense that we have surplus returns that can somehow be used to reduce our deficit does not take account of the fact that actually we should also be replenishing and rebuilding our reserves, so I think there is a complexity to that.

2335 However, there is one point with which I do strongly agree with Deputy Strachan and that is the question of whether in some way we can and should be using our reserves in some of our investment decisions, and that I think is a discussion for the Funding Investment Plan for 2026. So I look forward to picking up that debate with Deputy Strachan and others heading into next year.

2340 Deputy Rochester again quite rightly drew attention to the need for long-term vision. Again, that is a view I very much share, and it is something that has been recognised needs to be developed. I think Deputy Niles took the view that he was going to support the Propositions, and in particular Proposition 20 is the key one, which is the one that authorises spending as the responsible thing to do. I am paraphrasing but in essence that was his position.

2345 I think it is probably incumbent on me in responding to Deputy Kazantseva-Miller and others who have referred to Proposition 20, to outline the implications of not approving Proposition 20. The suggestion that we would simply revert to 2025 and the cash limits somehow would roll forward; that is not correct and that again is the advice from H.M. Procureur, and no doubt H.M. Comptroller can reaffirm that if Members wish to do so.

2350 Clearly there are some lines of expenditure that already have been approved by the States, and there is already an authority or resolution for them. There will be some items which are subject to statute and, therefore, there is authority for those. But I think the long and short of it is it would be clearly significant, but not the constitutional crisis that Deputy Sloan suggested. I can agree that we are not in that sort of territory but we are in unprecedented territory, as Deputy Kazantseva-Miller said. It has not happened before but we would certainly be in a period of significant uncertainty, and I think, as Deputy Niles said, that is not necessarily a signal that one would want to send to the community because it is for the wider community that we are unable to set a budget for ourselves.

2355 So I think there is significant danger in that route and to rely on some kind of emergency measures being brought forward is not the right approach. We have to – and this is repeating ground that was covered in the first amendment – place trust and confidence in the process of P&R. I do place trust and confidence in the process which they are seeking to set out in terms of the way that this needs to be tackled in a disciplined and organised way as we go into 2026, so that we are in a much clearer and better position against which we can be judged and held to account this time next year.

So with that I do encourage Members to support the amended Propositions.

2365 **The Bailiff:** Thank you very much.
Deputy Gabriel, why are you standing up?

Deputy Gabriel: I need to make a declaration, sir. I have not spoken in debate and I have a direct and special interest under Rule 17(15).

2370 **The Bailiff:** Okay, anyone else?

Deputy Gabriel: That is for Proposition 7. I am a landlord of a commercial outlet.

2375 **The Bailiff:** Before we go to the votes, Deputy Inder.

Deputy Inder: If possible, sir, I am not a landlord [*Inaudible 3:26:13*]

2380 **The Bailiff:** Deputy Kay-Mouat.

Deputy Kay-Mouat: I am a landlord as well.

The Bailiff: Anyone else?

2385 So I am going to rattle through Propositions. There are 25 Propositions now, we will take each of them individually and we will start with Proposition 1, which was substituted by the successful Amendment 4. I will invite the Greffier to open the voting on Proposition 1, please.

There was a recorded vote.

2390 *Carried – Pour 33, Contre 3, Ne vote pas 0, Did not vote 0, Absent 0*

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Bury, Tina	Burford, Yvonne	None	Le Tocq, Jonathan
Cameron, Andy	Camp, Haley	de Sausmarez, Lindsay		
Collins, Garry	Ozanne, Jayne	Montague, Paul		
Curgenven, Rob				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Niles, Andrew				
Oswald, George				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

2395 **The Bailiff:** Greffier, on Proposition 1. In respect of Proposition 1 there voted in favour 33 Members, 3 Members voted against, 3 Members abstained, 1 Member did not participate in the vote. I will declare Proposition 1 duly carried.

Proposition 1a comes from the successful Amendment 6. Once again I will invite the Greffier to open the voting Proposition 1a please.

There was a recorded vote.

2400 *Carried – Pour 39, Contre 0, Ne vote pas 0, Did not vote 0, Absent 1*

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	None	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				

Collins, Garry
 Curgenvén, Rob
 de Sausmarez, Lindsay
 Dorrity, David
 Falla, Steve
 Gabriel, Adrian
 Gollop, John
 Goy, David
 Hansmann Rouxel, Sarah
 Helyar, Mark
 Hill, Edward
 Humphreys, Rhona
 Inder, Neil
 Kay-Mouat, Bruno
 Kazantseva-Miller, Sasha
 Laine, Marc
 Leadbeater, Marc
 Malik, Munazza
 Matthews, Aidan
 McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 Snowden, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

2405 **The Bailiff:** On Proposition 1a. In respect of Proposition 1a there voted in favour 39 Members, no Member voted against, no Member abstained, the same Member is not participating, therefore, I will declare Proposition 1a duly carried.

Proposition 2 is as it was originally drafted, and I will invite the Greffier to open the voting on Proposition 2 please.

2410 *There was a recorded vote.*

Carried – Pour 39, Contre 0, Ne vote pas 0, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	None	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenvén, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				

Humphreys, Rhona
 Inder, Neil
 Kay-Mouat, Bruno
 Kazantseva-Miller, Sasha
 Laine, Marc
 Leadbeater, Marc
 Malik, Munazza
 Matthews, Aidan
 McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 Snowdon, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

2415 **The Bailiff:** On Proposition 2. In respect of Proposition 2, same result, 39 Members voted in favour, no Member voted against, no Member abstained, 1 Member not participating. I will declare Proposition 2 duly carried.

Now we move to Proposition 3. I will invite the Greffier to open the voting on Proposition 3 please.

2420

There was a recorded vote.

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	Inder Neil	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenvin, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				

Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 Snowdon, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

2425

The Bailiff: In respect of Proposition 3 there voted in favour 38 Members, no Member voted against, 1 Member abstained, 1 Member not participating. Therefore, I declare Proposition 3 also carried.

We move next to Proposition 4. I invite the Greffier to open the voting on Proposition 4 please.

2430

There was a recorded vote.

Carried – Pour 39, Contre 0, Ne vote pas 0, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

2435

The Bailiff: So in respect of Proposition 4 there voted in favour 39 Members, no Member voted against, no Member abstained, same Member absent, therefore, I will declare Proposition 4 also carried.

We move now to Proposition 5. I will invite the Greffier to open the voting on Proposition 5 please.

There was a recorded vote.

Carried – Pour 39, Contre 0, Ne vote pas 0, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

The Bailiff: In respect of Proposition 5 there voted in favour 39 Members, no Member voted against, no Member abstained, 1 member absent, I will declare Proposition 5 carried.

Now we turn to Proposition 6. I will invite the Greffier to open the voting on Proposition 6, please.

There was a recorded vote.

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	Curgenven, Rob	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

2460

The Bailiff: So in respect of Proposition 6 there voted in favour 38 Members, no Member voted against, 1 Member abstained, 1 Member is absent. I will declare Proposition 6 also carried.

Those of us with a hard copy will turn the page and we will get to Proposition 7. Once again I will ask the Greffier to open the voting on Proposition 7.

2465

There was a recorded vote.

Carried – Pour 34, Contre 1, Ne vote pas 4, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Gabriel, Adrian	Bury, Tina	None	Le Tocq, Jonathan
Burford, Yvonne		Curgenven, Rob		
Cameron, Andy		Kay-Mouat, Bruno		
Camp, Haley		Sloan, Andy		
Collins, Garry				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				

Gollop, John
 Goy, David
 Hansmann Rouxel, Sarah
 Helyar, Mark
 Hill, Edward
 Humphreys, Rhona
 Inder, Neil
 Kazantseva-Miller, Sasha
 Laine, Marc
 Leadbeater, Marc
 Malik, Munazza
 Matthews, Aidan
 McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Snowdon, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

2470

The Bailiff: So in respect of Proposition 7 there voted in favour 34 Members, 1 Member voted against, 4 Members abstained, the same Member absent, but I will still declare Proposition 7 duly carried.

2475

Now, Proposition 8 involves looking at the draft Ordinance, the Excise Duties (Budget) Ordinance 2025, which has not been amended, which you will find just after all the Propositions. I will invite the Greffier to open the voting on Proposition 8 please.

There was a recorded vote.

2480

Carried – Pour 36, Contre 3, Ne vote pas 0, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Gollop, John	None	None	Le Tocq, Jonathan
Burford, Yvonne	Goy, David			
Bury, Tina	Ozanne, Jayne			
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				

Montague, Paul
 Niles, Andrew
 Oswald, George
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 Snowdon, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon

2485 **The Bailiff:** So in respect of Proposition 8 there voted in favour 36 Members, 3 Members voted against, no Member abstained, 1 Member is absent and, therefore, I declare Proposition 8 also duly carried.

Now we move to Proposition 9. Once again I will invite the Greffier to open the voting on Proposition 9.

2490 *There was a recorded vote.*

Carried – Pour 37, Contre 1, Ne vote pas 1, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Inder, Neil	Gollop, John	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

2495 **The Bailiff:** In respect of Proposition 9 there voted in favour 37 Members, 1 Member voted against, 1 Member abstained, the same Member is absent and, therefore, I will declare Proposition 9 also duly carried.

Now we go to Proposition 10, and I will invite the Greffier to open the voting on Proposition 10 please.

2500 *There was a recorded vote.*

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Hill, Edward	None	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

2505 **The Bailiff:** In respect of Proposition 10 there voted in favour 38 Members, 1 Member voted against, no Member abstained, same Member absent and, therefore, I will declare Proposition 10 also duly carried.

2510 Proposition 11 involves looking at the draft Ordinance entitled The Taxation of Real Property (Guernsey and Alderney) (Amendment) Ordinance 2025, which you will find just after the Excise Duties draft Ordinance that you have just approved. I will invite the Greffier to open the voting on Proposition 11, please.

2515 *There was a recorded vote.*

Carried – Pour 33, Contre 3, Ne vote pas 3, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Gollop, John	Curgenven, Rob	None	Le Tocq, Jonathan
Burford, Yvonne	McKenna, Liam	Goy, David		
Bury, Tina	Van Katwyk, Lee	Kay-Mouat, Bruno		
Cameron, Andy				
Camp, Haley				
Collins, Garry				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Vermeulen, Simon				
Williams, Steve				

2520 **The Bailiff:** In respect of Proposition 11, there voted in favour 33 Members, 3 Members voted against, 3 Members abstained, same Member absent. Therefore, I will declare Proposition 11 so duly carried.

2525 Proposition 12 involves looking at the draft Ordinance entitled The Document Duty (Rates) (Amendment) Ordinance, 2025, which you will find just after the last Ordinance that you have just approved. This is Proposition 12, and I will invite the Greffier to open the voting on Proposition 12, please.

There was a recorded vote.

2530 *Carried – Pour 35, Contre 0, Ne vote pas 4, Did not vote 0, Absent 1*

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	Burford, Yvonne	None	Le Tocq, Jonathan
Bury, Tina		Goy, David		
Cameron, Andy		Hill, Edward		
Camp, Haley		Snowdon, Alexander		
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				

Gabriel, Adrian
 Gollop, John
 Hansmann Rouxel, Sarah
 Helyar, Mark
 Humphreys, Rhona
 Inder, Neil
 Kay-Mouat, Bruno
 Kazantseva-Miller, Sasha
 Laine, Marc
 Leadbeater, Marc
 Malik, Munazza
 Matthews, Aidan
 McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

The Bailiff: So in respect of Proposition 12 there voted in favour 35 Members, no Member voted against, 4 Members abstained, 1 Member is absent. Therefore I declare Proposition 12 also duly carried.

2535 Proposition 13 involves turning over a couple of pages to The Document Duty (Anti-Avoidance) (Rates) (Amendment) Ordinance, 2025. Where do they make these titles up? I will invite the Greffier to open the voting on Proposition 13, please.

There was a recorded vote.

2540

Carried – Pour 37, Contre 0, Ne vote pas 2, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	Burford, Yvonne	None	Le Tocq, Jonathan
Bury, Tina		Snowdon, Alexander		
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				

McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

2545 **The Bailiff:** So in respect of Proposition 13, there voted in favour 37 Members, no Member voted against, 2 Members abstained, same Member absent. Therefore I declare Proposition 13 also duly carried.

2550 Proposition 14 involves looking at the draft Ordinance entitled The Motor Taxation (First Registration Duty) (Guernsey) Ordinance, 2025, which you will find immediately after that and before the Budget Report proper. I will invite the Greffier to open the voting on Proposition 14, please.

There was a recorded vote.

Carried – Pour 35, Contre 1, Ne vote pas 3, Did not vote 0, Absent 1

2555

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Inder, Neil	Goy, David	None	Le Tocq, Jonathan
Burford, Yvonne		Hill, Edward		
Bury, Tina		Snowdon, Alexander		
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				

Williams, Steve

The Bailiff: In respect of Proposition 14, there voted in favour 35 Members, 1 Member voted against, 3 Members abstained, same Member absent. Then I declare Proposition 14 also duly carried. That finishes the draft Ordinances and we will move on to Proposition 15 next, please.

2560 I will invite the Greffier to open the voting on Proposition 15.

There was a recorded vote.

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

2565

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Helyar, Mark	Snowdon, Alexander	None	Le Tocq, Jonathan
Burford, Yvonne	Inder, Neil			
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Hill, Edward				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

The Bailiff: In respect of Proposition 15 there voted in favour 36 Members, 2 Members voted against, 1 Member abstained, same Members absent. Therefore, I would declare Proposition 15 also duly carried.

2570 We will now move on to Proposition 16, please. I will invite the Greffier to open the voting on Proposition 16.

2575

There was a recorded vote.

2580 *Carried – Pour 38, Contre 0, Ne vote pas 1, Did not vote 0, Absent 1*

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	Snowdon, Alexander	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

2585 **The Bailiff:** In respect of Proposition 16 there voted in favour 38 Members, no Member voted against, 1 Member abstained, 1 Member is absent. Therefore I will declare Proposition 16 also duly carried.

We will move to Proposition 17 next, please. I will invite the Greffier to open the voting on Proposition 17.

There was a recorded vote.

2590 *Carried – Pour 37, Contre 2, Ne vote pas 0, Did not vote 0, Absent 1*

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Laine, Marc	None	None	Le Tocq, Jonathan
Burford, Yvonne	Strachan, Jennifer			
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				

Curgenven, Rob
 de Sausmarez, Lindsay
 Dorrity, David
 Falla, Steve
 Gabriel, Adrian
 Gollop, John
 Goy, David
 Hansmann Rouxel, Sarah
 Helyar, Mark
 Hill, Edward
 Humphreys, Rhona
 Inder, Neil
 Kay-Mouat, Bruno
 Kazantseva-Miller, Sasha
 Leadbeater, Marc
 Malik, Munazza
 Matthews, Aidan
 McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 Snowdon, Alexander
 St Pier, Gavin
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

The Bailiff: In respect of Proposition 17 there voted in favour 37 Members, 2 Members voted against, no Member abstained, same Member absent. Therefore I will declare Proposition 17 also duly carried.

We move on to Proposition 18. I will invite the Greffier to open the voting on Proposition 18, please.

There was a recorded vote.

Carried – Pour 37, Contre 2, Ne vote pas 0, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Gollop, John	None	None	Le Tocq, Jonathan
Burford, Yvonne	Inder, Neil			
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				

Leadbeater, Marc
 Malik, Munazza
 Matthews, Aidan
 McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 Snowden, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

2605 **The Bailiff:** In respect of Proposition 18 there voted in favour 37 Members, 2 Members voted against, no Member abstained; same Member absent. Therefore I will declare Proposition 18 also duly carried.

We move on to Proposition 19. I will invite the Greffier to open the voting on Proposition 19, please.

2610 *There was a recorded vote.*

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Inder, Neil	Hill, Edward	None	Le Tocq, Jonathan
Burford, Yvonne	Van Katwyk, Lee	Snowdon, Alexander		
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenvin, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
St Pier, Gavin				

Strachan, Jennifer
Vermeulen, Simon
Williams, Steve

2615 **The Bailiff:** In respect of Proposition 19 there voted in favour 35 Members, 2 Members voted against, 2 Members abstained, same Member absent. I declare Proposition 19 duly carried.

Now, Proposition 20 as amended by the successful Amendment 2. I will invite the Greffier to open the voting on Proposition 20, please.

2620 *There was a recorded vote.*

Carried – Pour 29, Contre 8, Ne vote pas 2, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Burford, Yvonne	Blin, Chris	Curgenven, Rob	None	Le Tocq, Jonathan
Bury, Tina	Camp, Haley	Goy, David		
Cameron, Andy	Helyar, Mark			
Collins, Garry	Inder, Neil			
de Sausmarez, Lindsay	McKenna, Liam			
Dorrity, David	Sloan, Andy			
Falla, Steve	Van Katwyk, Lee			
Gabriel, Adrian	Vermeulen, Simon			
Gollop, John				
Hansmann Rouxel, Sarah				
Hill, Edward				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Williams, Steve				

2625 **The Bailiff:** In respect of Proposition 20 there voted in favour 29 Members, 8 Members voted against, 2 Members abstained, same Member absent. I will declare Proposition 20 duly carried.

We next move to Proposition 21. I will invite the Greffier to open the voting on Proposition 21, please.

2630 *There was a recorded vote.*

Carried – Pour 37, Contre 1, Ne vote pas 1, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Inder, Neil	Curgenven, Rob	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				

de Sausmarez, Lindsay
Dorrity, David
Falla, Steve
Gabriel, Adrian
Gollop, John
Goy, David
Hansmann Rouxel, Sarah
Helyar, Mark
Hill, Edward
Humphreys, Rhona
Kay-Mouat, Bruno
Kazantseva-Miller, Sasha
Laine, Marc
Leadbeater, Marc
Malik, Munazza
Matthews, Aidan
McKenna, Liam
Montague, Paul
Niles, Andrew
Oswald, George
Ozanne, Jayne
Parkinson, Charles
Rochester, Sally
Rylatt, Tom
Sloan, Andy
Snowdon, Alexander
St Pier, Gavin
Strachan, Jennifer
Van Katwyk, Lee
Vermeulen, Simon
Williams, Steve

2635 **The Bailiff:** On Proposition 21, there voted in favour 37 Members, 1 Member voted against, 1 Member abstained, same Member absent. I declare Proposition 21 duly carried.

 We move next to Proposition 22. I will invite the Greffier to open the voting on Proposition 22. Thank you.

2640 *There was a recorded vote.*

Carried – Pour 37, Contre 1, Ne vote pas 1, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Inder, Neil	Goy, David	None	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenvin, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				

Matthews, Aidan
 McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 Snowdon, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

2645 **The Bailiff:** On Proposition 22, there voted in favour 37 Members, 1 Member voted against, 1 Member abstained, 1 Member is absent. I will declare Proposition 22 also duly carried.

Proposition 23 is about directing the preparation of legislation to give effect to all those decisions. I will invite the Greffier to open the voting on Proposition 23, please.

2650 *There was a recorded vote.*

Carried – Pour 36, Contre 0, Ne vote pas 3, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	Curgenven, Rob	None	Le Tocq, Jonathan
Burford, Yvonne		Goy, David		
Bury, Tina		Inder, Neil		
Cameron, Andy				
Camp, Haley				
Collins, Garry				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

2655 **The Bailiff:** In Proposition 23, there voted in favour 36 Members, no Member voted against but 3 Members abstained, 1 Member is absent. I will declare Proposition 23 also duly carried.

Finally Proposition 24, which we have added at the end, resulting from the successful Amendment 5 and I will invite Greffier to open the voting on Proposition 24, please.

2660 *There was a recorded vote.*

Carried – Pour 34, Contre 5, Ne vote pas 0, Did not vote 0, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Curgenven, Rob	None	None	Le Tocq, Jonathan
Burford, Yvonne	Ozanne, Jayne			
Bury, Tina	Rochester, Sally			
Cameron, Andy	Strachan, Jennifer			
Camp, Haley	Vermeulen, Simon			
Collins, Garry				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Parkinson, Charles				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Van Katwyk, Lee				
Williams, Steve				

2665 **The Bailiff:** In respect of Proposition 24 there voted in favour 34 Members, 5 Members voted against, no Member abstained, 1 Member is absent. I will declare Proposition 24 also duly carried, which means that all 25 Propositions have been carried by varying majorities.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

2. Non-contributory Benefit Rates for 2026 – Propositions carried

Article 2.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Non-contributory Benefit Rates for 2026', dated 7th October 2025, they are of the opinion:

- 1. To set the income support requirement rates at the rates set out in Tables 1 and 2 of the Policy Letter, from 9th January 2026.*
- 2. To set the income support limits of weekly income for people residing in residential homes, nursing homes, EMI (dementia care) accommodation, and the Guernsey Cheshire Home at the rates set out in Table 3 of the Policy Letter, from 9th January 2026.*
- 3. To set the personal allowances payable to persons in Guernsey and Alderney residential or nursing homes who are in receipt of income support and to persons in United Kingdom hospitals or care homes who are in receipt of income support at the amounts set out in Table 4 of the Policy Letter, from 9th January 2026.*
- 4. To set the maximum rent allowances, for income support purposes, at the amounts set out in Table 5 of the Policy Letter, from 9th January 2026.*
- 5. To set the supplementary fuel allowance at £42.42 per week, from 31st October 2025 to 30th April 2026.*
- 6. To set the rate of family allowance at £18.40 per child, per week, from 5th January 2026.*
- 7. To set the rates and annual income limit for severe disability benefit and carer's allowance at the rates and limit set out in Table 7 of the Policy Letter, from 5th January 2026.*
- 8. To set the payment tariffs under the Mesothelioma Compensation Scheme at the rates set out in Appendix 2 of the Policy Letter, from 1st January 2026.*
- 9. To amend the legislation set out in paragraph 9.5 to make all benefit-related offences triable in either the Magistrate's Court or the Royal Court.*
- 10. To set the maximum penalty for all benefit-related offences under the legislation set out in paragraph 9.5 at seven years' imprisonment.*
- 11. To remove the specified limits on the penalties that may be imposed in the Magistrate's Court in respect of benefit-related offences under the legislation set out in paragraph 9.5.*
- 12. To repeal the Employment of Immigrants (Control) (Guernsey) Law, 1974.*
- 13. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.*

The States' Greffier: Article 2, Committee for Employment & Social Security, Non-contributory Benefit Rates for 2026.

The Bailiff: I will invite the President, Deputy Bury to open the debate, please.

Deputy Bury: Thank you, sir.

This is the second of our uprating Policy Letters. Unlike the one presented at the previous meeting, there is little out of the ordinary being proposed and it is all in line with previously agreed States' policies and resolutions. Generally we are uprating to 3.7% as the figure for RPIX, bar a few where the agreed uprating policy differs. Increasing by RPIX ensures that we retain the real value of the support we give.

As with the previous Policy Letter, we have not had a huge amount of time but we briefly considered using a different inflationary measure. However, not having as much time to make fundamental changes to our uprating policy, we are considering this as part of our prioritisation process for the future.

This Policy Letter relates to non-contributory benefits, which are those funded entirely through general revenue, so from tax income not from social security contributions. These benefits include income support, family allowance, severe disability benefit, carers allowance and the mesothelioma compensation scheme. It also includes winter fuel allowance and it is proposed that this be adjusted by its own inflation index, which is a 4.3% increase, and that involves the aggregate changing cost of the different types of fuel, and that is in line with the guideline uprating policy.

2690 The Committee is also proposing that the income support limits of weekly income for people in long-term care be increased to align with the cost of what is known as a standard rate bed. This is an above inflation increase but is a necessary consequence of the decisions taken by the States in February this year to increase the rates for standard rate beds in residential and nursing homes. This was to assist in stabilising and hopefully promoting investment in the market.

2695 In addition to the standard uprating exercise, some changes to penalties for benefit fraud offences are also being proposed. It was recognised that the maximum penalties for benefit-related forward offences, such as making false statements to obtain benefit, are low. This was identified as an issue while legal drafters were making amendments to the Director of Revenue Services to be able to impose civil sanctions concerning the payment of contributions.

2700 As a result of those changes, the maximum penalties for breaches in respect of the payment of contributions are significantly higher than the maximum fines if a benefit-related criminal offence is committed. Therefore, the Committee is recommending an increase in maximum sentences and allowing for all such offences to be heard in the Royal Court when the severity of the offence, and therefore the likely sentence, justifies this.

2705 It is also recommended to remove the specified limits on penalties that can be imposed in the Magistrate's Court, meaning that the court has the full range of its general sentencing powers, so that only the most serious cases with a likely penalty exceeding this general maximum would need to be admitted to the Royal Court.

2710 The Committee is also recommending setting the maximum penalty for offences relating to benefit frauds to be listed at seven years' imprisonment, in line with Jersey and the UK equivalent provisions. To be clear, this is not the Committee stating that it will be looking to prosecute more offenders. Its approach to fraud cases will remain the same and prosecution would not proceed without clear evidence of dishonesty or a strong influence that dishonest contempt is present. If the Committee's proposals are approved by the States, it is simply that the courts will continue to impose a sentence that fits the crime, but they will have the freedom to appropriately punish the most serious offenders.

2715 A minor point in this Policy Letter is that the Committee is also recommending that the Employment of Immigrants (Control) (Guernsey) Law in 1974 be repealed because it was never enacted and has been superseded by subsequent legislation.

2720 I purposely kept my comments brief because this is certainly the graveyard shift so I will finish there but welcome any questions and debate on the Policy Letter.

Thank you, sir.

The Bailiff: Deputy Gollop.

2725 **Deputy Gollop:** I do indeed support the speech Deputy Bury has made and most of the Propositions, I will however make a few points.

2730 Inevitably the votes we have just made for the Budget are important to sustain our social and cultural infrastructure but it is inevitable that when we do increase things like excise duty, whether it be fuel, as I think even the Loughborough organisation deems it probably necessary to have a car in Guernsey if you are in a particular situation, or cigarettes, because my argument is some people, I am afraid, are addicted, there are ways they can be helped, people like me perhaps, but some of them have mental health and other issues. I think that has to be taken – like the saying goes, alcohol duties and indeed other cost-of-living elements, even increasing TRP, has an indirect effect on rent, which may well be a factor, although I appreciate rent is usually paid separately from income support.

2735 We have heard over the year – so my argument actually is for certain categories of people, I would say not just single parents but, say, single older individuals, maybe even single men aged between 50 and 65, are actually quite disadvantaged. We heard from Deputy Goy in a very interesting speech about maybe a class of people in Guernsey who go a bit under the radar, who

2740 are very well-off, but manage in one way or another to hide their assets so they had very low incomes.

I do not know about that but I knew a Deputy who never had enough money to pay for her drinks at the bar once upon a time, and I think she was quite well-off. But there may be people like that. I also know, and this is more of an anecdote, but I am not going to name names and addresses, 2745 I meet people on a regular basis, especially in the categories I have identified, who are really as poor as church mice, to use Deputy Goy's expression. They are actually begging outside shops when required or sending texts saying, 'I have no money, I have no food'. That is growing in Guernsey.

We all know food banks have been growing and so on. I think we actually have to re-evaluate what we are doing, not just the States' benefits but universal offers, and indeed what the third and 2750 charitable sectors can do. Many of us went to the conference. So that is a scene-setting really. Far from saying I think there is too much welfare expenditure, I would say, in some areas, probably not all, we are not necessarily doing enough, because the cost of living is out of control for all kinds of people.

I have reservations about the new idea to change the law on benefit fraud, not that I am 2755 condoning or in any way acquiescing in it. But we are moving to a situation where the summary sentence appears to be six months to a year to seven years to emulate two other jurisdictions, an Island to the south of us and a bigger Island to the north. But we know, even if we sit on Home Affairs, that our justice system and policing system is highly pressed, resource hungry and moderately expensive. If you start putting people in jail for seven years, that is clearly a bigger 2760 commitment on the prison than six months.

I know Deputy Bury was saying that in no way are ESS saying that their policies will immediately change, but I suppose we have no role in sentencing nor should we have, but when a Parliament 2765 changes the upper or lower tariff of legislation, they put indirect pressure on the judiciary to consider maybe the way that the offence is viewed by the community and the range in which an offence falls.

I would not mind if it was across the board, because I know Employment & Social Security are 2770 extremely diligent and careful in investigating cases of benefit fraud, and we have seen quite a few over the years. But do we see the same rigour applied to employers who have underpaid, or people with many jobs who are underpaying their contribution, because that is a form of fraud too.

I would say the same about Income Tax fraud. I do not like the system used exclusively to target 2775 people who could be considered vulnerable or maybe have mental health or victim issues. So that is another concern.

Finally, I would say, I think there will be a rebellion in the community as this term goes on, about 2780 the amount of co-contribution people will be paying for the care scheme. We discussed that before. That is more contributory benefits. But I think, too, we had several Members in the last term – I remember Deputy McKenna very well, and possibly Deputy St Pier and others – who said we probably should be paying more to carers and people who look after people at home. They are potentially saving us as taxpayers, the States, the carer's allowance and attendant's allowance. I think our policies are a lot better than Jersey, where they have got into issues about the placement 2785 of income, whether you can be a pensioner or a carer.

Again, I know many of the people, who are like us in the States, would like to see carers rewarded 2790 more. I think, again, that is another conversation we will have to have. At the moment, we are really just holding the door open and moving it along. We are not necessarily changing it in quite the right way.

2785 Thank you.

The Bailiff: Well if no one else is rising to speak in debate, I shall turn back to the President to reply to Deputy Gollop, if she so wishes.

2790 **Deputy Bury:** Thank you, sir.

I will briefly, although quite briefly, because Deputy Gollop did cover things outside what is covered in the Policy Letter. But I think just talking to the concerns around benefit fraud, I am not sure if I agree with the indirect pressure on the judiciary. I am not sure if anyone else in the room would either, sir. I do not think that that is what politicians' policies do. It is just giving a wider range so that should the offence fit a higher punishment it is available to them and so that benefit fraud is seen to be as serious as it is. This is public money, and if people are intentionally being dishonest and defrauding public money, it is important that we can punish fittingly.

Now, ESS are more than aware that unnecessarily punishing people and putting them in prison is not something that we are keen to do, because ultimately, when they have gone through that cycle and come out the other end with a record, perhaps nowhere to live, struggling to get a job, they are straight back to us anyway. So we are not inclined to be doing it unnecessarily, but where there is potentially professional fraud or very intentional fraud going on, we have to be able to punish accordingly. That is all we are doing is hopefully giving the judiciary the ability to do so.

I am glad that Deputy Gollop raised carer's allowance. The Committee have discussed this as part of our prioritisation process and I have laid this down as part of GWP conversations but I think it is an important place to do so now. We feel that carer's allowance and severe disability allowance really should be forming part of the overall long-term care conversation. It would be very unwise to be having them separately. As Deputy Gollop referred to, informal carers are saving the States an inordinate amount of money, no doubt.

So we would like to see, as part of the GWP and long-term care model and funding, those things to be wrapped into that conversation and hopefully reaching a solution there. I hope that reassures Deputy Gollop and Members that we are considering that, and we hope to get their support if that is involved in part of that long-term care conversation.

I think I will leave it there, sir, and I will just ask Members to support the Policy Letter.

The Bailiff: Before we get to the vote, are there any Members who need to declare any interests?

A Member: Sir, I receive 50% of the carers allowance.

The Bailiff: Deputy Collins?

Deputy Collins: Just to say me and my wife receive family allowance.

The Bailiff: I think there are probably quite a few. Deputy de Sausmarez, Deputy Bury, Deputy Matthews. It is all these young people getting up at the moment, is it not? *(Laughter)*

Deputy Leadbeater: Sir, I am not sure but we have a special needs child and we receive benefits from the States.

The Bailiff: Deputy Goy.

Deputy Goy: Sir, I have a four-year-old and we receive family allowance.

The Bailiff: Good, right. Yes, Deputy Montague.

Deputy Montague: Sir, I have not received family allowance yet but will do in the future. *(Laughter)*

The Bailiff: It is a declaration of future interest.

There are 13 Propositions, does any Member wish to vote differently in respect of any of the Propositions or can I put them to you collectively? Ten and 11. So can we take 1 to 8 first as a block? I will invite the Greffier to open the voting on Propositions 1 to 8.

There was a recorded vote.

2845

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	None	Kazantseva-Miller, Sasha	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenvin, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Ozanne, Jayne				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Sloan, Andy				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

The Bailiff: In respect of Propositions 1 to 8, there voted in favour 38 Members, no Member voted against, no Member abstained, 2 Members were absent at the vote, but I will declare Propositions 1 to 8 duly carried.

We will next take Propositions 9 to 11 inclusive, please. I will invite the Greffier to open the voting on Propositions 9 to 11.

There was a recorded vote.

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

Pour	Contre	Ne vote pas	Did not vote	Absent
, Chris	Gollop, John	Goy, David	Kazantseva-Miller, Sasha	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				

Collins, Garry
 Curgenven, Rob
 de Sausmarez, Lindsay
 Dorrity, David
 Falla, Steve
 Gabriel, Adrian
 Hansmann Rouxel, Sarah
 Helyar, Mark
 Hill, Edward
 Humphreys, Rhona
 Inder, Neil
 Kay-Mouat, Bruno
 Laine, Marc
 Leadbeater, Marc
 Malik, Munazza
 Matthews, Aidan
 McKenna, Liam
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Ozanne, Jayne
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Sloan, Andy
 Snowdon, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

The Bailiff: In respect of Propositions 9 to 11 inclusive, there voted in favour 36 Members; 1 Member voted against; 1 Member abstained; 2 Members did not participate in that vote.
 Therefore I would declare all three Propositions duly carried.

We will take Propositions 12 and 13 together, please. I will ask the Greffier to open the voting on Propositions 12 and 13, please.

There was a recorded vote.

Carried – Pour 37, Contre 0, Ne vote pas 1, Did not vote 1, Absent 1

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	Goy, David	Kazantseva-Miller, Sasha	Le Tocq, Jonathan
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Laine, Marc				

Leadbeater, Marc
Malik, Munazza
Matthews, Aidan
McKenna, Liam
Montague, Paul
Niles, Andrew
Oswald, George
Ozanne, Jayne
Parkinson, Charles
Rochester, Sally
Rylatt, Tom
Sloan, Andy
Snowdon, Alexander
St Pier, Gavin
Strachan, Jennifer
Van Katwyk, Lee
Vermeulen, Simon
Williams, Steve

The Bailiff: In respect of Propositions 12 and 13, there voted in favour 37 Members, no Member voted against, 1 Member abstained, 2 Members were absent. Therefore I will declare both of those Propositions duly carried and that concludes the business for this meeting.

2870 Close the meeting, please, Greffier.

The Assembly adjourned at 4.13 p.m.