



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Friday, 2nd October 2026

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Present:

Ms J. E. Roland, Bailiff and Presiding Officer

Law Officers

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

People's Deputies

Y. Burford	R. Le Brun
T. L. Bury	M. Malik
A. K. Cameron	A. D. S. Matthews
H. L. Camp	L. J. McKenna
G. M. Collins	P. S. N. Montague
R. P. Curgenvén	A. J. Niles
H. L. de Sausmarez	G. A. Oswald
D. F. Dorrity	J. M. Ozanne OBE
S. J. Falla	C. N. K. Parkinson
A. Gabriel	S. R. Rochester
J. A. B. Gollop	T. M. Rylatt
L. T. Goy	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. Lain	

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 C. P. A. Blin (*relevé à 9h 07*) ; Deputy S. T. Hansmann Rouxel (*relevé à 9h 07*) ;
Deputy M. P. Leadbeater (*relevé à 10h 30*)

Business transacted

Evocation	5
Billet d'État XIII	5
4. Tax Reform 2026 – Debate Continued	5
<i>The Assembly adjourned at 11.04 a.m. and resumed its sitting at 11.15 a.m.</i>	<i>35</i>
Tax Reform 2026 – Debate continued	35
<i>The Assembly adjourned at 1.01 p.m. and resumed its sitting at 2.23 p.m.</i>	<i>62</i>
Tax Reform 2026 – Debate continued	62
<i>The Assembly adjourned at 3.58 p.m. and resumed its sitting at 4.10 p.m.</i>	<i>84</i>
4. Tax Reform 2026 – Debate concluded – Propositions 1 to 12, 15, 16 carried as amended Propositions 13 and 14 lost	84
9. Schedule for future States' Business – Proposition Carried	122
<i>The Assembly adjourned at 6.55 p.m.</i>	<i>124</i>

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States of Deliberation

The States met at 9 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The States' Greffier

EVOCATION

Billet d'État XIII

POLICY & RESOURCES COMMITTEE

4. Tax Reform 2026 – Debate Continued

The States' Greffier: Article 4. Tax Reform 2026, the continuation of the debate.

5 **The Bailiff:** Good morning, everybody. We were part way through Amendment 36. But Deputy Laine, did you want to say something first?

Deputy Laine: 26(1).

10 **The Bailiff:** Deputy Laine is seeking a 26(1) guillotine motion on Amendment 36. Those who still wish to speak in debate, please stand in your places. Do you still wish me to put the motion? Right. If nobody else wishes to speak in debate on this amendment, I will turn to Deputy Parkinson.

Deputy Goy: Ma'am, can I actually stand or not?

15 **The Bailiff:** No, Deputy Goy, you will get to respond after Deputy Parkinson because it is your amendment.

20 **Deputy Goy:** Sorry, ma'am. When you ask if anybody wants to speak in debate, can I stand or is –

The Bailiff: You do not need to stand. Anyway, that moment has passed. Thank you. Deputy Parkinson.

25 **Deputy Parkinson:** Thank you, ma'am.

I think others have done a pretty good job of demonstrating that this amendment is very flawed. There are a wide variety of people living in Open Market accommodation, not all of them very wealthy. There are also people living or who own Open Market houses who have no intention of

30 becoming resident in Guernsey. But the worst effect of the amendment would be that as soon as
an investigation is instigated the values of Open Market properties will be affected. Because if
someone is, for example, looking at the Open Market today with a view to possibly buying a
property and moving in in January, they are going to have to factor in that if this amendment is
passed the people they can sell the property to will be restricted to people who have passed some
pre-qualification test, and that is bound to have some effect on the value of the property at retail.
35 That is likely to mean that, even from today, sales will not go through. People will pull out.

I do not think this is going to do any good, and it might do quite a bit of harm. That is not to
say that P&R are not interested in taking a more focused and targeted approach to trying to attract
individuals to come and live in Guernsey, because we are. The Open Market and the tax caps which
we offer are very indiscriminate. They basically say, if you have got enough money to buy a house
40 in Guernsey you can move in, if you are qualified to reside in the UK. If you are rich enough that
you could benefit from a tax cap, you can elect to be subject to that tax cap. That is a very untargeted
approach.

It means that people can come here if they want to, but it does not mean that we necessarily
attract the people we might want. There is certainly a piece of work to be done in that area, and
45 Members will learn more in the course of the Budget, which you will be seeing next week. It is not
that I do not sympathise with Deputy Goy's motives. It would be very good for the Island if we could
take a more focused approach to who we try and attract. But simply introducing this
pre-qualification test out of the blue will have a very detrimental effect on Open Market properties
from today. And that would be an irresponsible thing to do.

50 So I would urge Members to vote against this amendment, but please bear in mind that the
motives behind it are in the thoughts of P&R and I am sure in the thoughts of other Members of
the Assembly. If we can find constructive ways to improve the attractiveness of Guernsey to the
people we want to come and live here, then that is something we should seriously consider.

Thank you.

55 **The Bailiff:** Deputy Blin and Deputy Hansmann Rouxel, do you wish to be relevéd?

Deputy Hansmann Rouxel: Yes, please, ma'am.

60 **Deputy Blin:** Yes, ma'am.

The Bailiff: Members, if you wish to remove your jackets, please do so.
Deputy Goy.

65 **Deputy Goy:** Thank you, ma'am.

I want to finish by addressing some of the concerns raised during this debate because I think
this amendment has been completely mischaracterised by P&R. P&R has also predicted a
catastrophic outcome but provided neither a clear explanation nor evidence of how it would
happen. Basically, an assertion with zero evidence.

70 We should be careful about presenting a catastrophic outcome as though it were an established
fact when the mechanism by which it supposedly happens has not been clearly explained, much
less evidence. I think that is a more fundamental problem with some of the objections that have
been made.

They appear to be arguing against a Proposition that is broader than the one I am actually
75 making. For example, P&R spends considerable time explaining that not every person living in an
Open Market Part A property is a high-net-worth individual. I agree. But that is precisely why the
amendment sets out financial criteria for the proposed High-Net-Worth Residency Scheme
(HNWRS). The scheme is not a new tax on everyone who happens to live in an Open Market
property. It is a proposed residency pathway for a specific category of high-net-worth individual
80 with specific financial expectations attached.

So when P&R tells us that many Open Market residents are employed or self-employed, that does not invalidate the HNWRS. These people are not the people this pathway is designed to capture unless they independently meet the proposed high-net-worth criteria.

85 This brings me to another important distinction. There is a difference between the right to own or occupy a property and the right to establish residency in Guernsey. An Open Market Part A property is a type of housing. The HNWRS is a proposed residency framework for a particular category of person using that housing mechanism. Those are not the same thing. The HNWRS does not stop anyone buying an Open Market property. It does not stop an existing owner selling one. It does not dictate who they can sell it to.

90 What it does is propose a specific pathway for a new high-net-worth individual who, from 1st January 2028, chooses to use an Open Market Part A property as the basis for taking up their own residency here. It does not apply to someone who comes here through the employment permit route. So it does not apply to employees brought in by businesses. It also does not apply to someone who comes here through the family connection route. It does not mean that everyone who lives in an Open Market property suddenly becomes subject to the HNWRS.

95 So when P&R – sorry, that is Deputy de Sausmarez, by the way – tells me that I am conflating the Open Market with high-net-worth individuals, I would say that is precisely the distinction this amendment makes. Open Market Part A is the housing mechanism. The HNWRS is the proposed residency framework for a particular person using that mechanism to gain residency rights. These are not the same thing.

100 I have also heard the argument that putting conditions on future occupants would somehow restrict an existing owner's property rights. But we need to distinguish between the right to own and sell a property and the rules governing who qualifies to establish residency in Guernsey.

105 I understand the concern that changing those rules could affect the pool of potential buyers. But that does not automatically mean there would be fewer buyers overall. The HNWRS could actually attract a different category of applicants, including high-net-worth individuals who might not have otherwise considered Guernsey. In fact, a more targeted residency pathway could potentially attract more qualified high-net-worth buyers. That is something the investigation should examine. We should not assume that changing eligibility criteria must have a negative effect on demand without examining the evidence.

110 I have also heard a number of hypothetical questions.

Deputy Kazantseva-Miller: Point of correct, madam.

115 **The Bailiff:** Yes, Deputy Kazantseva-Miller, what is your point of correction?

120 **Deputy Kazantseva-Miller:** Madam, I am really sorry to interrupt Deputy Goy's summing up, but I think there is a really fundamental misrepresentation being made here in Parliament as a fact. The Open Market is not just a type of housing and it is about ownership who can own it or not. It is already a path to becoming a resident, which is not linked to employment. So it is already a residency pathway. I think it is really important that this does not continue to be misconstrued, because Open Market is already an existing pathway to residency subject to immigration criteria but not linked to employment.

125 **The Bailiff:** Deputy Sloan, do you have –

Deputy Sloan: Was that a point of order or a point of correction?

130 **The Bailiff:** That was a point of correction.
Deputy Goy.

Deputy Goy: I think I have already explained the distinction and I think if Deputy Kazantseva-Miller has paid attention, that is the exact distinction I have already made so there is no correction there.

The Bailiff: Deputy Goy, it is up to me whether something is a correction or not.

Deputy Goy: Anyway, we should not assume that changing the eligibility criteria must have a negative effect on demand without examining the evidence.

I have also heard a number of hypothetical questions. What happens if someone's financial position changes after they arrive? To Deputy Helyar's point, what happens if a high-net-worth family gets divorced? These are legitimate questions. I have already addressed changes in financial circumstances in the explanatory note.

As for divorce, that is also a perfectly legitimate question for P&R to examine, because this is an amendment to investigate the framework. It is not a fully drafted immigration regime that can possibly anticipate every circumstance and every eventuality. The HNWRS is attached to the primary applicant. The detailed rules around divorce, succession and other eventualities are precisely the sorts of matter that P&R would need to examine when developing the framework. I suspect population management already has a template answer for many of these scenarios anyway. But regardless, we cannot reasonably reject an investigation simply because we have not already written the answer to every hypothetical question that might arise.

Ma'am, Guernsey has finite land. We have finite infrastructure. We have public services that need to be funded. Every person who makes Guernsey their home uses those resources. If we are going to create a specific pathway for people with substantial financial means to make this Island their home, I think it is entirely reasonable to ask what contribution we should expect in return.

At the moment, we do not have a framework specifically designed to attract the type of high-net-worth residents we actually want. We effectively leave it to chance. We hope that the person who comes through our door will be an entrepreneur, an investor, or someone –

The Bailiff: Seconds left, deputy Goy. (**Deputy Goy:** Sorry?) Twelve seconds left.

Deputy Goy: – who makes significant contributions to our economy rather than simply looking for somewhere to retire tax-free. I believe we can do better than that.

Thank you.

The Bailiff: Thank you, Deputy Goy.

Members, there are still a number of you who have not yet signed into SEV. You are, Deputy Inder. (*Laughter*) I am not going to name and shame the other three. Deputy Sloan, you are still not signed in yet.

Members, the States' Greffier will shortly put on the SEV the vote on Amendment 36. It should now be before you. States' Greffier, would you kindly open the voting?

There was a recorded vote.

Not carried – Pour 3, Contre 29, Ne vote pas 6, Did not vote 1, Absent 1

Pour

Bury, Tina
Curgenvén, Rob
Goy, David

Contre

Burford, Yvonne
Cameron, Andy
Camp, Haley
de Sausmarez, Lindsay
Dorrity, David
Falla, Steve
Gabriel, Adrian
Gollop, John

Ne vote pas

Collins, Garry
Hill, Edward
Matthews, Aidan
Ozanne, Jayne
Snowdon, Alexander
Van Katwyk, Lee

Did not vote

Blin, Chris

Absent

Leadbeater, Marc

Hansmann Rouxel, Sarah
Helyar, Mark
Humphreys, Rhona
Inder, Neil
Kay-Mouat, Bruno
Kazantseva-Miller, Sasha
Laine, Marc
Le Brun, Ross
Malik, Munazza
McKenna, Liam
Montague, Paul
Niles, Andrew
Oswald, George
Parkinson, Charles
Rochester, Sally
Rylatt, Tom
Sloan, Andy
St Pier, Gavin
Strachan, Jennifer
Vermeulen, Simon
Williams, Steve

180 **The Bailiff:** There voted pour 3, contre 30, and there were 6 abstentions, and 1 Member was not in the Chamber. No, sorry, that is not correct. I have that person's vote. Therefore, I declare the amendment has not passed.

[Amendment 37.](#)

To insert an additional proposition as follows:

"To direct the Policy & Resources Committee to investigate the financial yield, legal framework and implementation mechanisms required to introduce a High-Value Document Duty (HVDD) on residential property transactions exceeding £2.5 million, structured on a marginal basis whereby progressive surcharges apply only to the portion of standard Document Duty attributable to each applicable property-value band, based on the framework set out in the Explanatory note, including the recommended surcharge rates of 25%, 50% and 75% as starting-point values; and to lay a comprehensive report before the States of Deliberation no later than June 2027 detailing the legislative, administrative and enforcement mechanisms required for its operation."

185 **The Bailiff:** We now move to Amendment 37. Deputy Goy, do you wish the States' Greffier to read out your amendment?

Deputy Goy: Yes, please.

The States' Greffier read out Amendment 37.

190 **The Bailiff:** Thank you.
Deputy Goy.

The Bailiff: Thank you, ma'am.

195 Madam, let me start with the basic principle behind this amendment. I am asking the States to investigate the introduction of a High-Value Document Duty or HVDD. It would apply to residential property transactions above £2.5 million and the principal is simple; the higher the value of the property being purchased, the greater the contribution. And importantly this would be a progressive system. The additional duty would apply only to the relevant portion of the transaction as the property moves into the higher value bands. So this is not a cliff-edge tax. It is not a tax on ordinary homes or the family home either. The vast majority of property transactions in this Island
200 would be unaffected.

I am asking P&R to investigate whether this could provide a targeted and proportionate source of additional revenue and then report back to the States by June 2027.

The proposed starting rates are 25%, 50% and 75%, depending on the value of the property. The details are set out in the explanatory note for Members who want to examine how the system could work.

So why do I believe we should investigate this? Because high-value residential property in Guernsey is valuable for a reason. It is not valuable simply because of the bricks and mortar. It is valuable because of everything around it. Our infrastructure, our public services, our safe and secure environment, all of these things help create, protect and sustain property values in this Island. When someone purchases a property worth several million pounds, they are not simply buying a building. They are also buying into the benefits of living in Guernsey, and those benefits have real economic value.

Ma'am, I believe it is reasonable to ask a simple question. If someone can afford to purchase a very high-value property, should they not also make a proportionally greater contribution? After all, that property benefits from the systems and infrastructure that helps make it valuable.

Members, we are being asked to consider how Guernsey could raise additional revenue. I believe we should consider a range of options. We should not automatically assume that the answer has to be another broad-based tax on ordinary households. If Guernsey needs to raise additional revenue, I believe we should first look at those with the greatest financial capacity to contribute, rather than automatically asking ordinary households to pay more through GST or increased Income Tax.

A progressive duty on high-value property transactions gives us the opportunity to do exactly that. It asks more from those making the most expensive purchases while leaving ordinary homes and a vast majority of property transactions untouched. That is the kind of targeted approach I believe we should at least investigate. I therefore ask Members to support this amendment.

The Bailiff: Thank you.

Deputy Matthews, do you formally second this amendment?

Deputy Matthews: Yes, ma'am.

The Bailiff: Who wishes to speak in debate on this amendment?

Deputy Vermeulen.

Deputy Vermeulen: I will try and raise a question I have over this. I have got to congratulate Deputy Goy for trying. I think all his amendments, no matter what people may think, I think there is something behind every one of them. Whether the amendment specific has addressed those is not quite so clear. But there is obviously a point behind all of them and it is reassuring to hear that some of those issues raised are being looked into.

I just wonder though, if a property, an Open Market, or if a household was owned by a company and the company was sold, would they avoid this projected tax? It would be good to hear if it was Open Market or Local Market above that value, if that was right.

I am not sure how Deputy Goy came to these amounts, 25%, £2.5 million up to £5 million; 50%, £5 million to £10 million, and 75% of a property exceeding £10 million. I think those do look – as an initial starting point, I think they look way too high, in my opinion. That is not to say that a modest loading could not be looked at. But before that could be considered I would want to be hearing extensively from people in that sector. I would want to be hearing from surveyors, builders, because it does generate a tremendous amount of work, these high-end properties, which is very good for the local building trade. And I would certainly want to hear the estate agents' views and property managers' views on this amendment and perhaps the intention of the amendment where it would like to get to.

That is pretty much all I have got to say on that. But I thank Deputy Goy for laying it, and I thank the States for not guillotining it.

The Bailiff: Deputy Van Katwyk.

255

Deputy Van Katwyk: Thank you, ma'am; and also thank you to Deputy Goy for bringing this amendment.

260

I just want to talk a little bit about what I think is the sentiment of the Guernsey person on the street, what a lot of people feel has been happening over these last few decades, and it draws into a point that Deputy Parkinson made earlier today. We want to improve the attractiveness of Guernsey to attract the people we want to live here. So what we have been trying to do over the last few decades is attract more high-net-worth individuals by spending more in our hospitals, more in our schools, and that is pretty much what has brought us here today, because we have not squeezed those high-net-worth individuals as much as we could be, to be paying their way for the Guernsey person.

265

I really thank Deputy David Goy for bringing this amendment today. As we all know, scarcity breeds value, which is why there are only two nude photos of me on Facebook. And Guernsey's land is very scarce. So if we have people coming in from outside and taking up more of that land, then they have to be paying a high price.

270

Thank you.

The Bailiff: Deputy Camp.

Deputy Camp: Thank you.

275

I think, like many people, we can all recognise the hard work that has been put into this amendment, and I think that is possibly where it becomes problematic on this occasion. I think, to address Deputy Vermeulen's point, and I will explain why I did that, is that actually this corporate ownership is explicitly denied from the exemption under the States' anti-avoidance provisions. But actually I think it brings us to a more fundamental problem. I speak here as just a humble daughter of a former dairy farmer; what do I know about property transactions?

280

But I wrote down here, this feels to me like there are one of two options to how the market responds to something like this; either sales tank or prices tank. Because either way, people are not going to spend more on the ultimate value of the property they buy. I think that feels like a really fundamental problem of this, is that the market responds in an unexpected way to amendments like this to the ones that are expected. I really feel this is either sales tank or prices tank. I cannot see a third option here.

285

Thank you.

The Bailiff: Deputy Gabriel.

290

Deputy Gabriel: Thank you, madam.

Like Deputy Camp, I can see some flaws in this. On the face of it, it is quite a not bad amendment saying that we should tax the rich – that is actually what Deputy Goy is saying – before any taxation is spread anywhere else. But I worry that, as in the previous debate, it may have a detrimental effect on house prices or house sales, as Deputy Camp has said. The Open Market is a very fickle beast and, let us face it, if there is a property in the Local Market starting at £2.5 million, then that is going to be something very special anyway. So most of these properties are going to be in the Open Market. And, as I said, the Open Market is a very fickle beast. People will get to – even the whisper of an increase will get them thinking about a property transaction, never mind a relocation.

295

To start with, I had some sympathy for it. But now, having heard from Deputy Goy and others, I will not be voting for it.

300

The Bailiff: Deputy Ozanne.

305 **Deputy Ozanne:** Thank you, madam.

I do want to thank Deputy Goy for all his work. I feel that he was trapped a little bit between the devil and the deep blue sea. He needed to put specifics in otherwise he would have been criticised perhaps for not being clear to his own objectives of giving some very clear directions as to what we need to investigate. Yet, in being specific, it is getting us to a point that many of us have to reject it. I think we just need to recognise that trouble.

I am sure I was not the only one listening to BBC Radio Guernsey this morning as they did Vox Pops with the people standing outside. The first person they interviewed just off spec in the street, a lady called Alison was asked what would she do? She immediately said, "Tax the rich more. They are not paying their fair share".

315 There is this sentiment which we cannot, I am afraid, ignore; that there is a desire for us to make a system fairer. I believe Deputy Goy's attempts in all his amendments is trying to do that. I wonder if we can take that sentiment and work within each Committee, and in this case the Housing Committee, to look at some of these ideas. Perhaps not exactly in the specific way that he has set out, but I would be keen to hear – I do not know if it is in debate or after – from the Housing Committee to see if they would be taking on board some of these ideas and looking at them.

320 Thank you.

The Bailiff: Deputy Gollop.

325 **Deputy Gollop:** On the balance of it, I will support the amendment because I think we underestimate Deputy Goy and the appeal and impact he is making in the community, with Deputy Matthews seconding it, and the work that he is doing. I would, as a positive note of feedback, say that Deputy Goy could perhaps collaborate more with more of us because he always goes a little bit far. These figures, 25%, 50%, 75% do strike me, as Deputy Gabriel and others might imply, as potentially being counterproductive. There are always cliff edges.

330 I do not want to get into the tax-the-rich arguments, but I think we have heard measured speeches, including Deputy Parkinson earlier, that there is a workstream ongoing to look at how we can maximise our contribution, as the amendment rightly says, not just from charitable and the input and expenditure that high-net-worths do, but that they contribute proportionately to public systems' infrastructure and socioeconomic stability. So I support that.

335 I think the amendment is a little bit flawed, apart from the harshness of the surcharge rates, in that they give the task to Policy & Resources. But actually Housing, and particularly Economic Development, reminding me of a debate yesterday Deputy Camp raised, should be more involved. I mean, they are head of construction, they link with Locate Guernsey, they have a huge interest in the digital economy, many other things. They should be part of this conversation as well.

340 This does not actually bring in a new tax or a new Proposition. It just asks for an investigation. I think that, as a principle, this area should be looked at. Of course, the counter effects of an unwise policy of unforeseen consequences should be looked at too. But I think that the purpose behind this should be part of our next stage of the review.

345 **The Bailiff:** Deputy Matthews.

Deputy Matthews: Thank you, madam.

350 I am very happy to second this amendment from Deputy Goy, and I support entirely the sentiment here. I do agree with Deputy Vermeulen actually, that the values that are put in for the Document Duty here are too high, but it is an investigation. So P&R, if it were to pass, would look at that and say, "Well, actually 25% is more than would generate any return". But there certainly is scope to look at a higher value. Guernsey's Document Duty rates, even our maximum rates now, are lower than the UK. So UK stamp duty land taxes tops out at 12% for transactions over

355 £1.5 million. There is certainly that sort of scope.

In general, while Document Duty is there and it exists and it is a tax that can be used immediately, it is not a great tax. Because the issue with it is that some properties might get sold very regularly. A flat might get sold every couple of years and be generating income, whereas other properties might stay in a family for 40 or 50 years and not generate any return at all. It just does not get sold. Which is why, when these taxes are looked at, it is often thought that a recurring annual charge is preferable because it requires that constant and much more predictable payment to be made than a Document Duty, which is very variable. Actually, that is what we see in our Document Duty income in Guernsey, is that it goes up and down. It is very volatile. It depends on how the market is. Sometimes we get lots of Document Duty and sometimes we do not. So it has got lots of issues. But, of course, the plus side to that is it is already there, so you can use it immediately.

I think it is certainly an element that is worthy of being looked at. I think the percentage values that are there are not values that would be used in reality. But there is certainly some scope for an investigation to take place.

Thank you, madam.

The Bailiff: Deputy Inder.

Deputy Inder: In Deputy Goy's opening speech, I think he made a point that I have made often, that there is an inherent value of living in Guernsey beyond the actual property itself. The fact that Guernsey is a safe, stable, well-regarded jurisdiction. I agree with him.

But it goes considerably further than that, than the value of the property, market or tax advantages that we offer. I think he is right inasmuch as that the property value, there is an in-built societal – what is the word – value that is in-built into each of the properties itself. It probably, to be honest with you, goes with all of us.

If P&R, and they have indicated that – I actually think this is a Budget amendment anyway, but I did not call a 26(4), or whatever it was, because people start crying on the internet very quickly before I have even finished it. But that is why I would ask, if P&R are going to consider anything like that, when undertaking any discrete work in any future Budget to ensure that it takes sufficiently that broader view that makes Guernsey attractive and adds some kind of weighting into it because I think there is some value in that.

The Bailiff: Deputy Blin.

Deputy Blin: Thank you, ma'am.

I would like to start, first of all, by thanking the Assembly for having stopped this approach on motions to stop Deputy Goy speaking, including the triple whammy, whatever it was, because every single amendment –

The Bailiff: Sorry, Deputy Blin. I am focused on the efficient running of this. Can we focus on the amendment and not on the provisions contained within the Rules for people to deal with debate? Can you focus on that, please?

A Member: Hear, hear.

Deputy Blin: Yes, ma'am.

So to the amendment, I appreciate the sentiment of the amendment. I appreciate the sentiment of all the amendments there. What it is, it leads to I think what happened yesterday with one of them where it comes to the fact that we believe we should look at things internally or through Treasury or through other Committees, and we should get on and do it. It does mean that the sentiment of the amendment by Deputy Goy is really good but the detail does not work. The detail not only does not work, but will have an impact on the Open Market and the previous ones on any aspect of our society.

It is a fine balancing act, but I truly believe that the way that Deputy Goy brings these sentiments forward is what the people – and I think Deputy Van Katwyk as well is reflecting what the people of Guernsey feel. So we have to justify and explain those steps we are taking. If those can be explained and carefully elaborated by, within all the different areas – but I will bring P&R at the top of this – then this would be the way that we will actually enhance and ensure that we do the best for the Island, take advantage, as Deputy Inder says, there is an inherent value to this Island and the limited space, but not start putting onerous or draconian measures to the point that the nomadic movements of the wealthy just disappears because there are 20 other places. Let us make this a welcoming – and a lot of these people, I am sure, we have witnessed for various reasons, including some very large donations and things like that. There is some good that also happens through this.

I will not be able to support Deputy Goy, but I would truly and sincerely like to thank Deputy Goy and thank that he has had the chance to do as much as he can talking on this. With a bit of work and support from Treasury, I hope that all of these points will be carried through at a later point.

Thank you, ma'am. And sorry for the –

The Bailiff: Deputy Williams.

Deputy Williams: Thank you, ma'am.

This is my personal view, we have not discussed this as a Housing Committee. Obviously tax tends to come under P&R, but obviously we can proffer guidance and we have been having discussions about potential Document Duty reductions for first-time buyers at the other end of the market. But, on this amendment, I think there is some scope for increase. These percentages are far too high and obviously would just crash the market in terms of prices, so they are over-dramatic.

I think there is some scope. In the UK, when you look at it, they are charging 12% over £1.5 million, as Deputy Matthews mentioned earlier. Actually our percentage is 7% over £2.5 million. So, okay, there is a bit of a difference there. I think there is some scope in terms of raising finance through the Budget process, and so I would encourage P&R to look at that, if they are not looking at it already.

I think we should work on these things in a steady fashion, evolving it. Anything over dramatic I think will have a phenomenally dramatic effect on the marketplace. That will be my personal view. So I will not back these percentages, but I would support P&R looking at it as a steady evolution.

Thank you.

The Bailiff: Do you wish to speak in debate, Deputy Curgenvén?

Deputy Curgenvén: Yes. Thank you, while I am on my feet.

It was actually through you, ma'am, to the President of Housing – sorry to Deputy Williams, he did not see me stand up. It was just whether – I am pleased to, I will give way to you, if you would not mind, if that is okay, ma'am, whether Housing is actually committed to looking at something like this if this amendment does not pass.

The Bailiff: Deputy Williams, do you want to do a give way?

Deputy Williams: It would probably be easier if P&R mention it, because I do not know whether it is on their agenda. It has not been because we have been looking more at the beginning of the market in terms of first-time buyers rather than the high end, because the Housing Committee is not specifically – I do not believe our agenda is about raising tax and actually more P&R.

The Bailiff: It is a give way.

Deputy Williams: Sorry, is this a give way?

460 **The Bailiff:** Yes, you cannot have a give way on a give way, Deputy Vermeulen.

Deputy Vermeulen: Sorry, I have been in the Chamber a lot less time.

465 **Deputy Williams:** So I think to answer your question, we can certainly look at it but I would hope that P&R would be addressing it, and hopefully they will pick this up in some response themselves.

The Bailiff: Deputy Curgenvén.

470 **Deputy Curgenvén:** Thank you, ma'am; and I thank Deputy Williams for that. I see Deputy Burford was nodding her head, so I will wait if – or anyone else is summing up. Thank you, ma'am.

The Bailiff: Deputy Bury. Oh, sorry, Deputy St Pier, I know you have been trying.

475 **Deputy Bury:** Thank you, ma'am.

This feels a little bit like déjà vu from my amendment yesterday. There seems to be a sentiment of supporting the sentiment, but not going to vote for it. We would rather do it behind the scenes. I think, just while people have said that some of the detail is concerning, I think – I mean, it is a direction to investigate and they are recommended surcharges. So that is broad enough for me and we all are fully aware of when resolutions get taken off and they can be morphed into different things. I do not think this one would be too different and it is broad.

480 So I support the sentiment and the amendment and I would encourage others to do so, bearing in mind that there seems to be a fair wind of support for it.

485 Thank you, ma'am.

The Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, madam.

490 I am quite surprised to see Deputy Matthews seconding this amendment because he is so against transaction taxes on property and Document Duty in particular, and I will give way.

The Bailiff: Deputy Matthews.

495 **Deputy Matthews:** I thought I had covered that a little bit in my speech, actually, which is in exact terms, transaction taxes are not ideal ways of raising tax through property taxes. So you are much better with a recurring annual charge, and I have got a later amendment in to look at doing that. The advantage that Document Duty has got is that it is an existing tax, so you can do this tomorrow. Whereas to look at moving to a recurring charge or reforming our Tax on Real Property (TRP) system would take some time to implement. That is the trade-off really. I do think that you would be better with another form of tax in an ideal world.

500 Thank you.

The Bailiff: Deputy St Pier.

505 **Deputy St Pier:** Thank you, madam.

I am actually with Deputy Matthews, and I do share his concerns over the use of transaction taxes in property transactions because of the impact it has on the marketplace. He is also correct that it is an easy lever to pull. As former Treasury Minister and Treasury lead, I have my hand in the responsibility for leading us to the position that we currently have, which is the tiered system

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starting at 2.25% up to £300,000 and peaking out at 7%, as Deputy Williams referred to, above £5 million, because it is a source of revenue. But it is not a particularly good source of revenue.

Part of the challenge is the more you raise it the more reliant you become on it and the harder it is to then do exactly what Deputy Matthews wants to do, which is to move away from those transaction taxes to a recurring annual charge. You actually make the hill harder and harder to climb because you have to keep replacing the revenue that you are reliant on to pay the public service on which we all rely.

The main reason that I wanted to rise was to draw attention to the fact that we already have a tiered system of taxation and nobody had yet referred to that in debate other than obliquely Deputy Williams towards the end there. My question for Deputy Goy is really to understand how this is to work because he refers to something called D standard in the notes. I am not sure whether D standard is proposed to be the average rate at the point you reach on our current scale or whether it is the rate at the top of the scale.

So in other words, at £2.5 million currently the rate is 5.5%. Is that the standard rate to which you then apply the surcharge of 25% and so on? Clearly, at 7%, our current top, if we were to apply a 75% surcharge to that at the top end over £10 million, then that would be a 12.5% rate of Document Duty, which obviously is significant. It may be comparable with the UK at one level, but it does not necessarily mean that it is right for our own marketplace.

Then I think the final point is, yes, it is, of course, an easy narrative that the wealthy need to pay more. That is always present in any tax debate, in any jurisdiction, at any time. There will always be somebody else who should be paying more. Indeed, Deputy Ozanne referred to that.

The statistic I was looking for, and I could not immediately place it, but off the top of my head, it was that the top 6% of earners contribute 25% of the total Income Tax take, and the bottom 60% of earners contribute 25%. In other words, the top 6% we are very reliant on, quite apart from the handful of corporates. Deputy Goy will have an opportunity to respond, so I am not going to give way. The bottom, quite apart from the reliance we already have on the top 10 corporate taxpayers.

The idea that there are easy pips to squeak in terms of the wealthy, it is always a call to arms in a tax debate. But we always have to keep that reality in mind as to where the burden is already being carried at that top end.

The Bailiff: Thank you.

Does anybody else wish to speak in debate before I turn to Deputy de Sausmarez? Oh, it is now Deputy Burford.

Deputy Burford.

Deputy Burford: Thank you, madam.

Document Duty is already currently banded. I think that was something Deputy St. Pier has just picked up on it, but I think that was something that was possibly lost sooner. This amendment seeks to increase the rate in the bands at and above £2.5 million realty price and introduce a new higher band for the slice above £10 million. However, instead of simply proposing changes to the band rates that already exist, the proposer has set up a new and frankly labyrinthine scheme to do the same that would sit alongside the existing Document Duty scheme.

Document Duty is already banded, as I have said, with seven bands with the higher rates in each band – sorry, with higher rates in each band ranging from 2.25% to 7%. At a time when we are trying to cut through process and unnecessary administrative work, this seems a strange approach. I did have exchanges with Deputy Goy on this point, and I thank him for his engagement, but he was keen to continue with his HVDD concept.

Members have two issues to consider here. Firstly, do they think P&R should spend time and money setting up a completely new system to sit alongside an existing system? Secondly, do they think that Document Duty in the £2.5 million to £5 million band should increase from 5.5% to 6.875%? In the £5 million to £10 million band from 7% to 10.5% and in a new £10 million-plus band

from 7% to 12.25%? I think, to be fair to Deputy Goy, some Members have misunderstood the 25%, 50% and 75% figures in his amendment. They are surcharges, they are not rates.

565 For context, a property selling for £10 million already attracts nearly half a million pounds of Document Duty. Under this amendment, that would increase to around £700,000. So perhaps the increases are not quite as large as some people were imagining. However, my big issue is the process. If these rates were to change, P&R estimates on average they would raise an additional £2 million a year in revenue, although due to the very limited number of transactions this would be highly volatile.

570 I trust and hope that the answer to the first question I posed as to whether we have a complex new system is no, as this P&R is being ruthless in its efforts to cut unnecessary process and glue from government systems, and I am really keen not to add any.

575 For the second question, should Members wish to significantly increase the higher rates of Document Duty on high-value properties to the kind of numbers proposed in this amendment and add an additional band, then I would suggest that the place to do it is in the Budget, in the existing system and, if so desired, in the debate next month.

Thank you.

The Bailiff: Deputy Goy.

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Deputy Goy: Thank you, ma'am.

Ma'am, first of all I want to thank you, Deputies – give my thanks to Deputies Vermeulen, Van Katwyk, Ozanne, Gollop, Matthews and Bury for their support. It is very much appreciated.

585 I want to address the concerns raised by Deputy Camp, Deputy Gabriel and Deputy Blin collectively, because I think it is in the same sphere. It is about sales tanking. First of all, I think Deputy Burford has explained that the percentages are not applied throughout the entire property price; the 25%, 50% to 75%. It is actually a slice of the difference in the band, and hopefully that answers Deputy St Pier's question as well about the formula. It is all in the explanatory note. If anyone wants to know how exactly it works, it is there.

590 The other thing about sales tanking as well, I want to mention this. I do not think we should make a catastrophic conclusion before we actually conduct an investigation, and an investigation is what this amendment is calling for. It is not calling for a tax to be introduced right now. Today it is calling for these numbers to be investigated. I have stated very clearly that the 25%, the 50% and the 75% are recommended starting points, but if P&R thinks that they are too high or even too low
595 after they make their investigation, they are more than welcome to suggest that in a report, and that is what this amendment is all about.

In regards to Deputy St Pier's remark about high earners paying the most tax. I agree actually but here is the thing. I think Deputy St Pier is conflating high earners and high net worth. They are not necessarily the same thing. A high earner earns income. They basically earn wages and salary,
600 and that is taxed at 20%. For example, a doctor working for a clinic earns a salary. He or she may be earning £200,000 per year. He or she is a high earner. I have no problem with that. There is a difference between a high earner and a high-net-worth individual.

A high-net-worth individual can and usually lives off capital, substantial wealth and assets and they can potentially pay zero Income Tax if they could minimise their taxable income to that level.
605 I think Members need to be clear about the distinction between the two groups.

Lastly, let me just address Deputy Burford's comment about additional admin and why a new band. Here is the thing, as you know, I worked in IT for many years and not just IT. I looked after the States' systems. I was an app support engineer, first of all, with the States' IT, and then even after we were outsourced. Because of my familiarity with the systems, I know that when you have
610 something like the Document Duty system that has already been in the system for a long time, there are systems that use those numbers as dependencies, which means when you change an existing system other systems get affected as well. This is on an IT level. Those of you who are programmers

would understand what I am trying to say. Some people hard code things into it. Deputy Matthews will understand what hard code means.

615 As an engineer, when I designed this, I wanted to make sure that if a surcharge were to come in, it should come in cleanly and people can see the surcharge above the normal Document Duty. But above all, that it would actually be clean in terms of IT dependencies.

If you have the HVDD, new bands on top, you can design the HVDD however you like without actually affecting the current Document Duty system, which could actually be used by other systems within the States to actually draw data from. So this is a very clean design philosophy. When it comes to admin, let me assure Deputy Burford this. This is actually the difference between the HVDD and the existing Document Duty is a formula. That formula can be easily implemented. It does not require additional bureaucracy. There is no additional admin. It is just something, an extra line on top. This is speaking from an experience from an IT point of view.

625 Because, at the end of the day, believe it or not, everything is IT. When you talk about admin, first of all, we talk about IT because that is what makes things work and that is what also sometimes make things not work.

This is designed to optimise and safeguard system integrity. I want to give way to Deputy Burford.

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The Bailiff: Deputy Burford.

Deputy Burford: Thank you, Deputy Goy; I appreciate you giving way.

I did have discussions on this particular amendment with people who would be responsible for the systems, and there is no need to have it as a surcharge. It can simply be a change of rates and an additional band added. That is not complex in any way. What is complex and what I was fully advised by people, including on IT, is that to add the kind of system set out in this amendment would be significantly more work and, more to the point, unnecessary to achieve the objective.

640 **The Bailiff:** Deputy Goy.

Deputy Goy: Thank you; thank you, Deputy Burford.

I hope Deputy Burford spoke to an engineer rather than a manager because the States is well known for having high-level senior managers who are not very technically clued up. All right. This is coming from an engineer who actually worked on States' systems.

The Bailiff: Deputy Goy, this is not a point for discussion with Deputy Burford.

650 **Deputy Goy:** What I want to say is, ma'am, this amendment does not introduce a new tax today. It simply asks P&R to properly investigate a targeted and progressive approach to high-value property transactions before we ask ordinary Island homeowners to show the broader tax measures. It is a proportionate proposal. It is a straightforward proposal, and I believe it is a fair proposal as well. I therefore ask Members to support it.

Thank you.

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The Bailiff: Thank you.

States' Members, you have on your SEV Amendment 37. States' Greffier, would you kindly open the voting on this?

660 *There was a recorded vote.*

Not carried – Pour 8, Contre 28, Ne vote pas 3, Did not vote 0, Absent 1

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

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The Bailiff: There voted in relation to Amendment 37: pour 8, contre 28, and there were 3 abstentions. I therefore declare that the amendment has not been passed.

[Amendment 38.](#)

To insert an additional proposition as follows:

"To direct the Policy & Resources Committee to investigate the financial yield and legal framework required to implement a progressive Premium Road Levy (PRL) comprising:

(a) a one-of First Registration Premium on private motor vehicles entering the Guernsey feet for the first time, based on the vehicle's On-the-Road purchase value, with vehicles valued at £65,000 or less exempt from the premium;

(b) an Annual Luxury Vehicle Registration Fee based on maximum net power output, applying progressively to private motor vehicles within the top 10% of the Guernsey feet by maximum net power output;

and to require that the investigation consider the exemptions, protections and other details outlined in the Explanatory note, including the progressive rate structures for both components; and to lay a comprehensive report before the States of Deliberation no later than June 2027 detailing the financial yield, legislative framework and mechanisms required for its implementation."

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The Bailiff: We now move to Amendment 38.

Deputy Goy, do you wish the States' Greffier to read out your amendment?

Deputy Goy: Yes, ma'am.

The States' Greffier read out Amendment 38.

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The Bailiff: Deputy Goy.

Deputy Goy: Ma'am, this amendment asks P&R to investigate a progressive premium road levy, or PRL for short, as an alternative to its own road-based transport tax. The principle is straightforward. If we need motorists to contribute more towards our roads, let us target luxury motoring instead of everyday transport.

The PRL has two parts. First, a one-off registration premium, which applies when a private vehicle enters the Guernsey fleet for the first time. Vehicles valued at £65,000 or less would be exempt. Above £65,000, the premium would increase progressively with the value of the vehicle.

Second, an annual luxury vehicle registration fee based on maximum net power output in kilowatt; a figure already recorded on every vehicle's registration certificate. This annual fee would apply only to private vehicles within the top 10% of the Guernsey fleet by power. That is the territory of super-luxury vehicles.

In other words, ordinary motorists would be outside the scope of this fee. In the world of motoring, maximum power output is a useful way of distinguishing ordinary vehicles from genuinely high-performance ones, regardless of whether they are electric or powered by an internal combustion engine. The more powerful the vehicle, the more likely it is to sit towards the luxury and high-performance end of the market.

If we want a technology-neutral way of identifying the most powerful vehicles on our roads, maximum power output makes far more sense than weight or emissions. The premium road levy can apply whether a vehicle is petrol, diesel, hybrid, electric or even hydrogen powered. Since the relevant power information is already recorded by the Driver & Vehicle Licensing (DVL), the DVL would simply use that existing information to establish which vehicles fall within the top 10% of the fleet each year. On a computer, that probably takes seconds to compute.

The premium road levy could also use the existing collection and enforcement mechanisms being developed for P&L's own transport tax. So there is no need for a completely new administrative system.

I want to stress one important point. This amendment is not asking for the introduction of the premium road levy today. It simply asks P&R to investigate how it could work. That means establishing the potential financial yield, the legal framework and the practical mechanisms required to implement it, and then reporting back to this Assembly by June 2027. I will not go into the detailed exemptions, protections and rate structures in this speech. They are in the explanatory note for Members' reference.

Ma'am, buying luxury comes with paying a premium: a luxury watch, a luxury handbag, a luxury home, a luxury car. We generally accept that principle. So why should our roads be any different? P&R has proposed a transport tax that would affect almost every motorist on this Island. Whether you drive a modest family hatchback or a £400,000 supercar, I do not believe we should automatically take the broadest possible approach.

If motorists are going to be asked to contribute more, I believe we should first investigate whether that contribution can be targeted towards those with the greatest capacity to pay. Because there is a difference between asking someone to contribute more towards the roads because they have chosen a six-figure luxury vehicle and asking an ordinary household to pay another annual charge simply because they need a car to get to work, take children to school or care for family. A few hundred pounds extra per year may be relatively insignificant for some, but for many ordinary households it is another bill to pay. That is the distinction at the heart of the premium road levy.

The Bailiff: Ten seconds left, Deputy Goy.

Deputy Goy: I therefore ask Members to support this amendment.

The Bailiff: Deputy Matthews, do you formally second this amendment?

Deputy Matthews: Yes, madam.

730 **The Bailiff:** Deputy Gabriel.

Deputy Gabriel: Thank you, madam.

Members, we have got two proposals in one Proposition in front of us. Both of them give me concern in regards to their implementation and duplication of effort. Part (a) of the amendment
735 appears to be along the same lines as the P&R HVVS, the High-Value Vehicle Surcharge, but at a higher threshold and different calculation method.

Based on 2025 registration figures, I would anticipate that the £65,000 threshold would only capture 60 new vehicles, noting that our analysis, which E&I did for P&R, was in £10,000 limit bands, so this would include the £60,000 to £65,000, missing out on approximately 155 vehicles, which we
740 would have believed would have fallen into that £40,000 to £59,000 bracket.

The pricing method also concerns me as a purchase price is stipulated in Deputy Goy's amendment, which could be influenced by discounts or part exchanges, and using a purchase price instead of a list price opens the door to avoidance through discounts and part exchanges, as was said. The UK's method and our own proposals use a list price.

745 I am also concerned about the principle of singling out a narrow category of taxpayers for what appears to be a largely symbolic measure by Deputy Goy. Taxation certainly on vehicles should be predictable and efficient, and motorists should know what their calculations are going to be. A fee based on the top 10% of the fleet by power would change every year as new vehicles are imported with different power bands, different power rates, possibly pushing someone on the edge in one
750 year lower down into a lower band or even not attracting tax next year.

Also, Deputy Goy mentioned that we capture kilowatts of every vehicle. We do not. Certainly, an older vehicle with a high value would not have kilowatts on its V5 or registration document. It might also be recorded in PS, or horsepower, and we might have to write on the CC of the vehicle, so not something which is readily available or easy to implement.

755 Introducing the banding system where these goalposts move every year is not a simple predictable system. The proposal risks adding further complexity to an already challenging tax debate, producing only a modest contribution to the finances as well. The Committee does support higher value vehicles paying more, and that is why we have already designed a banded high-value vehicle surcharge. Deputy Goy has stated in his Rule 4(1) information that he has consulted with
760 P&R, but had he actually consulted with E&I, picked up the phone, spoke to me, or even if he does not want to pick up the phone to me, any of the officers at Traffic and Highways, then perhaps we might have come to some common ground and you might even have seen my name supporting an amendment.

765 **Deputy Goy:** Point of correction.

The Bailiff: Sorry?

Deputy Goy: Point of correction.

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The Bailiff: Yes, what is your point of correction, Deputy Goy?

Deputy Goy: I have actually spoken to Deputy Gabriel in a meeting in a clubhouse, if he remembers it, and we actually spoke about it. Also, there is no requirement to speak to E&I about
775 it because Deputy Gabriel has –

The Bailiff: Deputy Goy, this is a point of correction. Your point of correction is that you have actually spoken to Deputy Gabriel. Deputy Gabriel, do you accept that you spoke with Deputy Goy?

780 **Deputy Gabriel:** We had a brief conversation.

This amendment would run a second competing design exercise using the very small team that have already done a design exercise, which took many months to get to where we are today. We are already trying to deliver lots of agreed reforms and so that risks either extra spend on consultants, and we know Deputy Goy's views on that, or worse, delaying other revenue and other projects rather than adding to them. Again, the claim of minimal cost is optimistic. The IT costs for the existing proposals still have not been confirmed. As far as exemptions go, E&I have already worked up exemptions.

The main elements, though, are that this appears extremely complicated for the user and officers to calculate, and there are complexities in obtaining the relevant information to calculate the payment. I would anticipate the higher levels of inquiries at Traffic and Highways and the Customer Hub as a result of the complexity will add substantial levels of additional resources to implement and manage day to day.

The principle is there and the principle is supported by E&I, which is why we have done a lot of work previously and we have got proposals in front of us in the main tax proposal. Members, this is extra, it is complex, it is not easily implementable, it is going to cost officers project time and actual time to implement, and it will be difficult to understand for the motorists. I suggest that you do not support this.

Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: I know Traffic and Highways have their hands full at the moment with lots of diverse issues that you may hear about later. I think it is good that we have heard an interesting speech from Deputy Gabriel, President of Environment & Infrastructure, and he is spot on that, of course; this kind of amendment should be discussed across the Committees. I know Deputy de Sausmarez has a strong background in principles here.

I think, though, we are in danger of missing the point of these amendments. They call for an investigation. They call for a group, not necessarily civil servants, it surely could be contracted out not just to consultants but maybe a panel of Deputies, environmentalists, people who work in the private sector, who would then feed back. I think that we know where the general direction is, that people who are fortunate in society, who have done really well, perhaps should contribute more.

I do not know what a supercar is, let alone a hypercar, but whilst I do support, at least, the principle of this – whether £65,000 is right, and a lot of Deputy Gabriel's points, very valid though they are, about lists and technologies and suitability and viability of all of this, are exactly the kinds of things that should come out of an investigation in a measured way.

What I would say, it gives me the opportunity to make a broader point, which relates to the main debate, on the motor tax. Deputy Goy in the amendment put about exemptions and protections, which include commercial utility, public transport, blue light emergency – we need that at Home Affairs – and agricultural machinery. I always think it is ironical that we have so many wonderful tractor parades – we have got more tractors than farms – but where I think we need a bit of clarity is the purchase price and the value of private motor vehicles in relation to veteran, vintage and classic cars because I do think we want to encourage conservation of historical vehicles.

I feel that as regards to the motor tax provisions generally, we should do what other countries and jurisdictions do and have special discounted rates for classic and historic cars. I think that is another area, although they do pollute a bit, that Deputy Goy, and indeed Environment & Infrastructure and Policy & Resources, should consider. I hope the work is done on this even if Deputy Goy's amendment is not successful today.

The Bailiff: Deputy Ozanne.

Deputy Ozanne: Thank you, ma'am.

I am slightly disappointed to hear the response from Deputy Gabriel. I mean this is meant to be an investigation that could be a revenue-driving exercise for E&I that could actually give him the resource that he needs, but I hear that behind that reservation is the fact there has not been much consultation.

I must say, I have a question for Deputy Goy, or indeed anyone else who can answer this; I have always been slightly perplexed as to why someone would want to spend so much on a car in Guernsey, which risks getting granite rash and can only go 35 miles an hour.

I give way.

The Bailiff: Deputy Rochester.

Deputy Rochester: Just a bit of levity; apparently, it is how fast you can get to 30 miles an hour, I understand.

The Bailiff: Deputy Ozanne.

Deputy Ozanne: Yes, I hear, Deputy. Having gone in a Tesla once and squealed as we got to 50 miles an hour in five seconds, but we cannot do that on Guernsey, of course. That was not in Guernsey, just for the record.

My understanding is that because we do not have Capital Gains Tax in Guernsey, there are real financial incentives to invest in unique cars which appreciate and then can be sold off off-Island. Therefore, as Deputy Goy rightly points out, a lot of these cars are not because people have to have them in order to get from A to B, it is because they enjoy having them and are actually making money out of them. If that is the case, then I think this amendment is worthy of further investigation because I do believe it is a way of generating much needed revenue that can help E&I, not hinder it.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, madam.

I wholeheartedly agree with Deputy Ozanne and Deputy Gollop, who say this is an absolutely great idea that needs investigating. It is such a great idea, it has been investigated, and it is in the actual policy proposals. (**A Member:** Hear, hear.) That was the point that Deputy Gabriel was trying to make. This is attempting to address a problem that has already been given very considerable –

Deputy Goy: Point of correction.

The Bailiff: What is your point of correction, Deputy Goy?

Deputy Goy: The proposal that I propose here is very different to the one that Deputy de Sausmarez is talking about. That is actually a mischaracterisation of what this amendment is and what the PRL is.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: The core question of how we rebalance our transport tax system more generally with a specific focus on high-value personal vehicles is a question that has been given very extensive consideration, not just by this E&I, but I can speak from first-hand experience by the E&I before that and, indeed, the E&I before that. The proposals that are encapsulated in the policy letter are the result of that very comprehensive investigation which includes an element that I have always championed, as Deputy Gollop will attest to and other Members of the Assembly have heard me speak on this issue time and time again, very consistently.

I do agree with Deputy Goy that we need to be levying charges as appropriate on those who are most able to afford them. I think a luxury vehicle is such a thing, and that is why I championed it when I was at E&I. I champion it now I am on P&R. I know the current E&I have looked at this very carefully and that is why we have got the carefully thought through proposals which achieve very much the core objective of what this amendment is trying to do where the work has already been done.

What concerns me is I know how much pressure the officers at E&I are under, how much work they have got to do. I have been trying for 10 years to get this kind of change into our transport system (**A Member:** Hear, hear.) and I think the other officers should actually be focused on delivering that now. We have done the thinking bit. (**A Member:** Hear, hear.) This just sends them back to the drawing board to look at work that has already been done over years.

I absolutely commend Deputy Goy. I could not agree with him more. He can take my word for that, because it is on *Hansard* over 10 years, how strongly I believe in this, but I really do think that we should not be diverting officers' time and attention into yet another investigation, investigating broadly the same outcome when actually their time I believe will be better spent delivering the plan that has already been thought through and can be agreed through these proposals in front of us.

Thank you.

The Bailiff: Deputy Helyar.

Deputy Helyar: Thank you, ma'am.

There is a theme emerging in some of these amendments that we have seen, which is a lack of definition. What does luxury mean? If you ask five different people, you will get five different ideas of that. Luxury and power are not the same thing. The majority of powerful vehicles on the road which this –

Deputy Goy: Point of correction.

The Bailiff: Deputy Goy, you stand, you say, 'Point of correction'. What is your point of correction, Deputy Goy?

Deputy Goy: Point of correction is I have actually defined luxury there at £65,000 and above, so it is not actually a subjective thing. The amendment says £65,000 above of premium registration and when it comes to the yearly fee, it is based on power, so luxury is not in that definition. It is based on power. To cap it off, the first –

The Bailiff: Deputy Goy, you are going way beyond the point of correction. You do have an opportunity to respond, so think whether or not your point of correction is more useful done in your reply speech, but please do not go on so long.

Thank you.

Deputy Helyar: Thank you, ma'am.

It is possible to have a vehicle that is worth more than £65,000 that has got no carpets, no seats in it, which would absolutely have nothing to do whatsoever with luxury. It is simply purely defined as wealth. It is about money. It is about something, I think, which is quite sinister.

One of the questions I wanted to ask was, obviously the most powerful vehicles on our road are large trucks, buses. They are, because their kilowattage at their flywheels, they produce the most power. They are exempted under 6.2 in this amendment, but then there is a definition of the fleet. It is not explained in here whether the fleet would include those vehicles or not include those vehicles, because that makes a significant difference to what is in the percentiles and what is not in the percentiles.

935 I have already thought, because I am a lawyer, of a cunning wheeze, which is you buy a Ferrari for £10,000 with no engine in it, or perhaps a mini engine, but under these proposals, aftermarket amendments, which private motor vehicles which have attained high kilowatt output solely via subsequent aftermarket modifications, like fittings –

940 **Deputy Goy:** Point of correction.

The Bailiff: What is your point of correction, Deputy Goy?

945 **Deputy Goy:** Vehicles modified post purchase have already been covered in the explanatory note. I think Deputy Helyar has missed that.

The Bailiff: Deputy Helyar.

950 **Deputy Helyar:** Thank you, ma'am.
I could read it if you like:

Private motor vehicles with an original purchase value below the luxury asset floor (£65,000) that have attained a high kilowatt output solely via subsequent aftermarket modifications.

Those are exempt. If you buy your Ferrari with a mini engine and then you buy the engine –

955 **Deputy Goy:** Point of correction.

The Bailiff: Deputy Goy, what is your point of correction?

960 **Deputy Goy:** Point of correction, Deputy Helyar is saying Ferrari for £65,000, I do not know where he gets a Ferrari for £65,000.

The Bailiff: Deputy Goy, Deputy Helyar has just read part of your explanatory note, so unless you are saying your explanatory note is wrong, I am afraid that must be your point of correction.

965 **Deputy Helyar:** Thank you, ma'am.

I am giving an example, and I am expressing an opinion. It is not really correctable. (**A Member:** Hear, hear.) If it were possible to organise a transaction where the majority of the cost – because the majority of the cost of a luxury vehicle is the engine of a supercar. You can buy the monocoque for very little and have the engine fitted afterwards. You could import it with a tiny lawnmower engine in it, if you wanted to, it would be exempt. This just does not work.

970 The thing that I find really strange about it is that we accept, as a parliament, that taxes have a behavioural effect. We can put alcohol duty up because we want to discourage people from drinking. We put tax on cigarettes because we want to stop people from smoking. None of these amendments seem to acknowledge that if you start to tax luxury and wealth; it will behave in a different way. These cars just will not be imported so it will not make any money. It just does not make any sense to me whatsoever. The wealthy are not cattle turning up at the abattoir ready to be milked for extra tax. They are just not. They are not. Mixing my metaphors, obviously. (*Laughter*)

980 **The Bailiff:** A funny abattoir that is.

Deputy Helyar: Or at the cowshed, perhaps. (*Laughter*) That would be a better one. They are not. Everybody makes decisions on what they spend their money on according to – and that is one of the real glories of GST. You can decide how much tax you spend because you can decide what

you buy. You can decide whether you buy a Mini or a Range Rover. It is already built into what we are talking about in this debate.

These amendments, they are – certainly the idea that we need to find more revenue is well meaning. These are things that are already dealt with in the proposals and already dealt with by Committees that have mandates for them. I would urge Members just to – please, can we get on and get to the meat of the debate?

Thank you.

Deputy Kazantseva-Miller: 26(1).

The Bailiff: Sorry, Deputy Leadbeater, do you wish to be relevéd?

Deputy Leadbeater: Yes, please, madam.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: 26(1), please.

The Bailiff: Deputy Kazantseva-Miller is seeking a guillotine motion. Those who still wish to speak on Amendment 38, please stand in your places.

Do you wish me to still put the motion to the Chamber? Chamber, do you support the motion that the debate on Amendment 38 should be guillotined? Those who support this, please say pour; those against?

Members voted Pour.

Deputy Goy: Ma'am, can we have an SEV, please?

The Bailiff: Yes, you can. Members, on your screens is the motion to guillotine debate on Amendment 38. States' Greffier, would you kindly open the voting?

There was a recorded vote.

Carried – Pour 24, Contre 15, Ne vote pas 0, Did not vote 1, Absent 0

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

Strachan, Jennifer
Williams, Steve

The Bailiff: In relation to the guillotine motion on Amendment 38, the vote is: pour 24, contre 15, and 1 Member was not in the Chamber at the time of the vote. I therefore declare that the guillotine motion has passed, and I will turn to Deputy Parkinson to respond on behalf of P&R.

Deputy Parkinson: Thank you, ma'am.

Well, first of all, I need to declare an interest because I have a luxury vehicle as defined in these proposals, although as Deputy Helyar has pointed out, that is because of its horsepower, nothing to do with the depth of its carpets.

Essentially, I think there are two points that have come out of this debate. Firstly, P&R are already doing this, and proposals are already set out in the policy letter that you are debating, because we do agree that people who buy and own luxury cars, or perhaps high-powered cars, should be paying more in tax. Speaking for myself, that is a position I accept.

The other thing is, frankly, the potential to raise revenue from this source is really quite small. As Deputy Gabriel has said, in 2025 there were 61 vehicles registered in Guernsey with a list price of £60,000 or more. The first registration charge here applies at £65,000, so not all of those 61 vehicles would have fallen within this new premium marginal rate. Let us say 50 cars did and let us say we charged them on average £10,000 in the first registration charge fees over and above the normal. That would raise £500,000 for the States of Guernsey. The amount that you can collect by putting heavier loads on a relatively small number of taxpayers is not likely to be terribly significant in the context of the States' fiscal position.

I think everything that needs to be said has been said. I would urge Members not to effectively inflict a further waste of time on our hard-pressed staff to reinvestigate something they are already investigating and have already investigated. If Members do not like, for example, the annual registration charges in the Budget, then all they have to do is amend the Budget. There is no point in inventing a whole new system to collect taxes that we already collect. To me this is one that we should move swiftly on from and get on with the rest of the debate.

The Bailiff: Deputy Goy.

Deputy Goy: Thank you, ma'am.

Ma'am, let me just address a few of the objections. Deputy Gabriel about the low tax take. This is obvious because P&R's transport tax is broad-based. It captures everyone on the Island, mums and dads taking their kids to work. Everyone pays. If they own a vehicle, they pay. The PRL, on the other hand, is meant to just capture the top 10%. Yes, the tax take is lower, but that is not the point. The point of the Premium Road Levy is to protect this Island's ordinary motorist from being taxed by the transport tax. That is the point, and it is meant to be a drop-in replacement for P&R's own transport tax.

Now talking about consultants. I came up with this Premium Road Levy. I did a lot of research on it. I did not need a consultant. Today you can do a lot of research. AI has the database knowledge of the entire world at its fingertips. I therefore recommend that Deputy Gabriel use that tool available instead of always thinking of consultancy as the first point. Maybe that is why Deputy Gabriel torpedoed my consultancy engagement amendment, but that is beside the point.

The Bailiff: Careful, Deputy Goy.
Yes, Deputy Gabriel.

Deputy Gabriel: Madam, I would like Deputy Goy to remove that allegation because I was part of the Assembly and used my democratic vote.

The Bailiff: Sorry, I do not understand. What has that got to do with the consultancy allegation?

Deputy Gabriel: He said I torpedoed his amendment.

The Bailiff: I do not think he –

Deputy Goy: You did not –

The Bailiff: I do not think – sorry, Deputy Goy.

Deputy Goy: Sorry.

The Bailiff: Deputy, I may have misheard, but I understood him to say that you would be using consultants to do something equivalent, and what Deputy Goy was saying is he was able to do it with the use of AI.

Deputy Gabriel: I understand and accept that, madam, but then he went on to say that I torpedoed his consultancy vote, which I voted as per every other Member of the Assembly.

The Bailiff: Did you say that you – I am sorry, Deputy Goy, I could not hear.

Deputy Goy: I believe –

The Bailiff: Did you say that Deputy Gabriel torpedoed your consultancy vote?

Deputy Goy: Ma'am, what I meant was that –

The Bailiff: What did you say? If necessary, I will come back on For The Record (FTR), but if you did say it –

Deputy Goy: Yes.

The Bailiff: Well, I think that is fair enough for Deputy Gabriel to raise the point that what he did was vote with other Members of the Assembly using his democratic vote. I think you have to accept that, do you not, Deputy Goy?

Deputy Goy: Okay.

The Bailiff: Sorry?

Deputy Goy: Okay.

The Bailiff: Do you say you do accept that? I did not catch that. Do you say you did accept that?

Deputy Goy: To not use the word 'torpedo'?

The Bailiff: It was not –

Deputy Goy: Deputy Gabriel actually voted for the guillotine of my consultancy amendment.

The Bailiff: Yes, I know that. Now you are giving an explanation. Deputy Goy, you are now giving an explanation about why you said it, but actually what you did was you laid the blame, if I can call

1120 it, at Deputy Gabriel's door. Do you accept that Deputy Gabriel is doing no more than his democratic right to vote along with other Members of this Assembly in relation to your –

Deputy Goy: Yes, I am just making a statement. Yes. Okay.

1125 **The Bailiff:** Please carry on, Deputy Goy.

Deputy Goy: Thank you.

Now, talking about admin. Every tax has admin. This PRL has very minimal admin. I have actually looked into this very carefully. I have designed it in such a way that it would require the least admin to administer to actually carry forward because it actually piggybacks on P&R's transport tax proposal. The admin is minimal. I do not understand exactly why – because you can make an argument about admin for every tax that you do not like. That is not a valid argument. Every tax has admin.

1130 Now about old cars. I drive an old Toyota. On my car's registration certificate, it says, '97 kilowatt for maximum power output'. Every vehicle, except maybe classic cars, has that power output value on its registration certificate. Now, I also make a very clear exemption in the explanatory note that the PRL does not apply to classic cars, so I hope that explains it.

Yes, Deputy Gollop, about classic cars are exempt. Yes, classic cars are exempt. It is in the explanatory note. What defines a classic car? It is also in the explanatory note as well, which is basically cars above 30 years and above.

1140 Deputy Ozanne about why people buy expensive cars. I do not know if Members are aware, but there are a lot of people from the UK who actually buy very expensive cars and then basically register here. It is a loophole that we have because we charge no registration fee. These are supercars, luxury cars. They sit in garages and only come out a few times a year just to rev up the engine. I personally know people who do that. This is why, to be honest, the luxury cars that we have on this Island are not just used by Islanders. A lot of them also are from the UK. This is one of the areas that the Premium Road Levy is trying to tax, if you like, the word for it.

1145 Now, Deputy de Sausmarez and Deputy Parkinson, the work has already been done. Well, obviously not, because the PRL is a very different beast altogether. First of all, it is not based on kerb weight or emission, which is an old way of actually classifying cars. We are in 2026 and before you know it, and this is something that is a worldwide trend, everyone is going electric sooner or later. I am basically just saying, 'Hey, let us get progressive, let us get updated, and use the most advanced way of actually determining a vehicle's value', how you tax it based on maximum power output rather than kerb weight or emission, because you know what, you can have a big family car that has a huge kerb weight, a family SUV, and then you can have a very light hypercar. Now, based on P&R's transport tax, you will be taxing the family car, because it is heavier, much more than the hypercar that is super light. This amendment, the PRL actually overcomes that.

Deputy Gabriel: Point of correction, madam.

1160 **The Bailiff:** What is your point of correction, Deputy Gabriel?

Deputy Gabriel: I would like to go back to the insinuation which Deputy Goy made earlier in that I supported his guillotine vote of his consultant's amendment, which my information shows as Amendment 39. The SEV votes records that I voted contre against that. I did not support the guillotine. I would like him to remove that remark and apologise.

The Bailiff: Deputy Goy, the SEV record shows that Deputy Gabriel did not vote for the guillotine motion. Do you apologise?

1170 **Deputy Goy:** Yes, in this case, I wholeheartedly apologise to Deputy Gabriel and thank you for not torpedoing it. *(Laughter)*

Now, to Deputy Helyar's point. Deputy Helyar brings up a lot of points that – I am not sure, it sounds like word salad to me. At the end of the day, I think Deputy Helyar's problem is he does not like to tax the rich, and he made it very clear. I can understand – we all can understand – why
1175 Deputy Helyar does not want to tax the rich, but I will not go into details.

The Bailiff: Deputy Goy, you are getting close to unparliamentary language, so just be careful what you are saying, please.

1180 **Deputy Goy:** Apologies, ma'am.

So what I would like to say is at the end of the day, the PRL, the Premium Road Levy, today is not – we are not asking Members to vote on the exact details of the Premium Road Levy today. The Premium Road Levy is presented as a framework and what that means is that it gives this Assembly an opportunity to ask P&R to actually investigate something that is totally different to what they
1185 have been investigating in the past. Like I said, the PRL is a totally different beast altogether. Most importantly, it does not penalise ordinary motorists on the Island, because it is only based on the top 10% in terms of the power output of a vehicle. I will give way to Deputy de Sausmarez.

The Bailiff: Deputy de Sausmarez.

1190 **Deputy de Sausmarez:** I am grateful for Deputy Goy for giving way, but I think a really important element that has not been touched on in this debate is the fact that part and parcel of the proposals in this policy letter is a very significant reduction in fuel duty, which is obviously the sole lever for taxation at the moment. The analysis shows that actually for a typical family car, they would certainly
1195 be no worse off in all likelihood, but actually if they do high mileage they are likely to be better off than now. That does not seem to have been factored into any of the equations.

Thank you.

The Bailiff: Deputy Goy.

1200 **Deputy Goy:** Thank you, Deputy de Sausmarez.

I do not know in which world where a family has to pay approximately £130 per year just to drive a car is any better off than paying zero. What the PRL is offering is – the PRL is basically trying to protect ordinary Islanders. If the PRL is in place –

1205 **The Bailiff:** Five seconds left, Deputy Goy.

Deputy Goy: Okay. Basically, PRL protects ordinary Islanders by being a drop-in replacement for the broad-based tax that is the P&R's own transport tax.

1210 Thank you.

The Bailiff: Thank you.

Members, you have before you on the SEV Amendment 38. Greffier, I would be grateful if you would start the voting. Have you actually voted now, Deputy Inder? *(Laughter)* Thank you,
1215 Deputy Inder.

There was a recorded vote.

Not carried – Pour 7, Contre 31, Ne vote pas 2, Did not vote 0, Absent 0

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

1225 **The Bailiff:** There voted in relation to Amendment 38: pour 7, contre 31, and there were 2 abstentions. I therefore declare that the amendment has not been passed.

[Amendment 35.](#)

To insert an additional proposition as follows:

"To direct the Policy & Resources Committees to investigate the financial yield and legal framework required to implement a Fair Contribution Levy (FCL) for households occupying residential properties within the top 10% of Tax on Real Property (TRP) values, establishing a minimum combined contribution of income tax and Social Security based on the combined contribution of a median resident household and scaled according to the property's TRP value relative to the median residential TRP value, with further details of the proposed framework set out in the Explanatory note; and to lay a comprehensive report before the States of Deliberation no later than June 2027 detailing the legislative, administrative and enforcement mechanisms required for its operation."

1230 **The Bailiff:** We now move on to Amendment 35. Deputy Goy, do you wish the States' Greffier to read this amendment?

Deputy Goy: Yes, please.

The States' Greffier read out Amendment 35.

1235 **The Bailiff:** Deputy Goy.

Deputy Goy: Ma'am, this amendment directs P&R to investigate the Fair Contribution Levy, or FCL for short. At its heart, the FCL is a minimum tax floor to be applied to the wealthiest residents on our Island. By wealthiest, I mean those who primarily live off substantial wealth, assets and capital rather than employment or normal business income. The FCL would set a combined social security and Income Tax floor for households occupying the top 10% of properties in Guernsey, measured by TRP units.

The way it works is actually quite simple. We take the Island's median combined Income Tax and social security contribution as the starting point. We then compare the TRP of the property occupied by a household in the top 10% of the Island's median TRP. The minimum contribution would then scale accordingly. If the property occupied by the high-net-worth household is five times the size of a median property, their expected contribution will be at least five times the median contribution. If it is 10 times the size of the median property, their expected contribution will be at least 10 times the median contribution, so on and so forth. If they already pay the minimum required or more, then nothing happens. They have already met the Fair Contribution Levy requirement.

Of course, a big property does not automatically mean a household is wealthy. The framework recognises that. That is why the FCL would include safeguards and exemptions for people such as genuine pensioners who may live in an extremely large property but are not high-net-worth individuals. With those safeguards in place, property size provides a simple and objective way of identifying households with greater financial capacity. On this small Island of just 24 square miles, the size of a property can tell us far more about a household's financial capacity than the taxable income they report on paper. And best of all, by using a property's TRP value as an objective measure, the FCL does not require us to unravel complex legal structures to establish how much wealth someone holds. Yes, the framework has strong exemptions and safeguards to ensure that the FCL does not catch anyone it is not designed to catch. The final details of this framework is in the explanatory note.

So why do we need this amendment? We need it because we have a glaring structural hole in our personal tax system. Right now, our system is built to tax income. Ordinary working Islanders pay 20% Income Tax on their earnings, plus social security contributions, and they pay their fair share faithfully every month without fail. Meanwhile, wealthy households living off substantial assets and capital can legally pay little to no Income Tax and consequently no social security. Our own official data from 2026 confirms the scale of this problem. We have between 500 and 560 households sitting in the top 10% of property values who contribute less in combined Income Tax and social security than the median household across the Bailiwick.

We know that Income Tax is one of the primary ways the States fund public services and infrastructure on this Island. How much tax revenue are we currently missing out due to legal tax avoidance? Whatever the figure may be, the shortfall does not simply disappear. It has to be made up somewhere. That means ordinary households currently bear the bulk of the tax burden. Even P&R recognises this problem and has repeatedly mentioned that some of the wealthiest households on the Island pay little to no Income Tax. Where P&R and I differ is in how we should solve this problem. One of P&R's justifications for introducing GST is that wealthy households who currently contribute little or nothing through Income Tax would pay consumption tax instead.

But why do we need to slap the entire Island with GST just to capture the contribution we failed to capture in the first place? Why not address the under-contribution directly? This is what this amendment is proposing. To be clear, this amendment is not asking for a new tax to be implemented today. Rather, it instructs P&R to investigate the financial yield and legal framework required to implement this system, and to report back to this Assembly with a comprehensive plan by June 2027.

The Bailiff: Thank you. That is your time.
Deputy Matthews, do you formally second this?

Deputy Matthews: Yes, ma'am.

1290 **The Bailiff:** Deputy Rochester.

Deputy Rochester: Rule 24(6), please, ma'am.

1295 **The Bailiff:** Deputy Rochester has asked in relation to Rule 24(6), and I confirm that I do consider that the amendment goes further than the original Proposition. But as you all know from previous examples, that is not enough. It is now necessary for the Chamber to vote on whether or not, as a consequence, the amendment should not be debated and no vote taken.
Yes, Deputy Helyar.

1300 **Deputy Helyar:** Can we have an SEV?

The Bailiff: We can indeed have an SEV vote. So I will ask the States' Greffier to – I think he is already there.

1305 **A Member:** Can I just confirm, ma'am, if this is voted for, there will be no further debate and no vote on the Proposition?

The Bailiff: That is right. That is the effect of 24(6). So there is no debate and no vote.
Yes, Deputy Vermeulen.

1310 **Deputy Vermeulen:** Is your ruling that it does go beyond –

The Bailiff: Yes, it is my ruling.

1315 **Deputy Vermeulen:** And you are sure of that?

The Bailiff: I am absolutely sure. *(Laughter)* Fortunately, Deputy Vermeulen, I had already considered whether or not this particular amendment did go beyond, so I am certain sure. *(Laughter)*

1320 Members, you have before you on your SEV the motion under 24(6) that as this amendment goes beyond the original Proposition that there be no debate and no vote taken on it. So those who support that motion should obviously vote for it and those who do not support the motion vote against it. So I would ask the States' Greffier to please open the voting.

There was a recorded vote.

1325 *Not carried – Pour 18, Contre 18, Ne vote pas 2, Did not vote 2, Absent 0*

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

Strachan, Jennifer
Vermeulen, Simon
Williams, Steve

Sloan, Andy
Snowdon, Alexander
Van Katwyk, Lee

The Bailiff: There voted in relation to the motion: pour 18, contre 18 and there was 1 abstention.
Therefore, we will continue the debate.

Who wishes to speak on the debate?

Deputy Camp.

Deputy Camp: Thank you.

I have, I think, one fundamental issue – well, no, not one fundamental issue. There are more issues I have with this amendment than just one, but I have the one I will talk about, let us put it that way. I find it difficult when we – this is clearly expected to be a tax on wealth. TRP is not a clear way to taxing wealth. TRP taxes people based upon the size of the property you have and the types of buildings, etc. I have no interests to declare here. I do not own any property, so I am not trying to suddenly protect myself from a 10% tax, I would never be in it anyway.

But the reality is that if you are – my view is if you are looking to tax wealth, then you need to get to the valuation of a property, because there are many properties that are highly valuable. I can see that just by looking on any estate agent's listings, and they are selling at very expensive prices. They are much smaller than other properties that sit around them, because we have lots of really quite sprawling, old, dilapidating properties that get caught by these higher TRP bands but do not fall into anything that looks like valuable property, whereas a tiny little bungalow can be hugely valuable. So I cannot support anything that keeps on attributing TRP to valuation.

Thank you.

The Bailiff: Does anybody else wish to speak in debate?

Deputy Sloan.

Deputy Sloan: Yes, thank you, Madam.

I am glad we actually voted to continue to debate because sometimes I just want to be able to make a contribution and be on the record why I opposed something rather than just voting against it. This morning has been quite fun. Deputy Goy has had me with a couple of arguments this morning and I found myself voting in favour of those investigations, harmless I thought they were, and he particularly had me on the last one.

But this one, I think is one that does need actually to be on the record voted down. I think we lead ourselves to a capricious state if you go down the route that Deputy Goy is suggesting here. We have had the arguments in private before, but taxation is something that one complies with and does with the law. It is not that the Government therefore think that that is not enough, therefore we are going to investigate and find some other reason why we need to extract some more – attach you to the pipsqueak, as it were, just on our basis of suspicion. So that is why I think it is a very dangerous amendment and a very dangerous precedent to even investigate such a thing, and I am pleased to have the opportunity to say so in this Chamber this morning.

The Bailiff: Deputy Humphreys.

Deputy Humphreys: Ma'am, I am sorry to say this but this feels a bit like a broken record. Many of the people in this Assembly have spoken already about the danger of even talking about wealth taxes. Before this debate, I gave up an afternoon to meet with Deputy Goy and Locate Guernsey to go through their work and the model and the value and the value these people bring to the Island. Sadly, it did not change or affect any of the amendments that Deputy Goy has brought. Sadly, for those reasons, I cannot support this motion. The reasons have already been rehearsed. But I will make another offer to Deputy Goy. If he is prepared to listen, if he is prepared to meet with me,

I will go through with him and explain wealth taxes and also the value that high net worths bring to Guernsey, in order to help him with his future amendments.

Thank you.

1380

The Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, madam.

1385 I think Deputy Goy has highlighted two issues, really, in this one amendment. The first issue which Deputy Goy spoke about is the potential for there to be some level of avoidance of Income Tax by those who have quite high wealth in Guernsey. I think that it is accepted that that is likely to be the case in Guernsey. We have some data that indicates that we have some people that own large properties but pay very little in the way of Income Tax. There are legitimate reasons for that, but there may well also be elements of avoidance in that, and this is a mechanism that seeks to address that. I think it is worth stopping for a moment to appreciate that we are likely to have that effect present in Guernsey.

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I think in conversation with former Deputy Mary Lowe, she told me about how actually there were lots of anti-avoidance measures that Guernsey does have, but we just do not often use. That is partly because perhaps we are so overwhelmed at the Revenue Service that it is difficult to always operate some of these services.

1395

But Deputy Goy's solution is to look at TRP. Now TRP, Members may know, is not one of my favourite mechanisms for identifying property wealth. I understand why Deputy Goy has chosen that method, because that is the method that is there, but I think almost in his own introduction Deputy Goy recognises the weaknesses that there are, by using area as a measure for property wealth. It does have some correlation, large houses generally are worth more than smaller ones, but it is a weak correlation and, as Deputy Camp pointed out, it is perfectly possible for some large houses to not be worth an awful lot and for some small houses to be very valuable indeed. So that is clearly one of the weaknesses of using TRP as a measure for that. I think it is really useful for this and I am glad this debate was not guillotined because I think that is a useful point to examine in this Chamber.

1400

1405

Thank you, madam.

The Bailiff: Members, before we go on to another contribution to this debate, let us have a 10-minute adjournment, but I would ask that you come back promptly, so quarter past – well, that is going to be 11 minutes. Quarter past 11 to continue the debate on this amendment.

1410

*The Assembly adjourned at 11.04 a.m.
and resumed its sitting at 11.15 a.m.*

Tax Reform 2026 – Debate continued

The Bailiff: Deputy Leadbeater.

1415

Deputy Leadbeater: Thank you, Madam Bailiff.

I met with Deputy Goy recently and we had some interesting conversations. I really like a lot of his stuff and a lot of his ideas, I really do. I see some merit in this, or something similar to this. I do not know how I am going to vote on this yet, but one question I have is in the explanatory note, 3.1 and it says:

1420

To keep administration simple and prevent the growth of public sector bureaucracy, enforcement will rely on a statutory Occupancy Declaration administered via existing tax return streams.

Now, someone with a second home in Guernsey but not resident in Guernsey is not going to be submitting tax returns. I wonder, when he sums up, could Deputy Goy explain how that would work in that scenario.

1425 Thank you.

The Bailiff: When you sum up, Deputy Goy.

Deputy Goy: Sorry, I missed the question.

1430

The Bailiff: Do you want to repeat it then, Deputy Leadbeater?

1435

Deputy Leadbeater: Three point one, where Deputy Goy talks of how the declarations will be made by the – it has got statutory occupancy declaration administered via existing tax return streams. Those not tax resident in Guernsey are not going to be submitting those returns. So how is the declaration going to be – how does he envisage the declaration going to be made? I just spotted that as I was reading through the explanatory note. If he can cover that in any summing up, that would be helpful.

Thank you.

1440

The Bailiff: Deputy Collins.

Deputy Collins: Thank you, ma'am.

1445

I perhaps refer you to my ramblings yesterday, so I think this is the right amendment to be talking about TRP, even though it was linked to the Open Market. So I will not say much more, ma'am, as I am sure I covered the numbers yesterday, but it resonates with me as a member for Housing. Our current value of property in Guernsey is just about £16.9 billion. As I pointed out yesterday, we received £42 million in TRP, which works out at 0.00248%. So we do not get a great return on the value we have on property. So for me, and I think members of the Committee for Housing, we are definitely keen to look at some of these measures and whether there is a way of tweaking them, but it certainly, unfortunately, is not for this amendment, so I will not be supporting it. I do thank Deputy Goy for bringing the amendment to the attention of Assembly.

1450

Thank you ma'am.

1455

The Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Thank you ma'am.

1460

I just, through you, ma'am, would like to ask, people living in rental accommodation who cannot afford to own their own home, are they captured under this amendment? I would like Deputy Goy to pick up on that. I thank him for laying this amendment and, again, for it not being torpedoed as it is called, or guillotined. So, yes, I would just like clarification on that point, please.

The Bailiff: Do you wish Deputy Vermeulen to – sorry, Deputy Vermeulen, could you repeat again your question or clarification that you want from Deputy Goy?

1465

Deputy Vermeulen: It was just a query as to whether households who could not afford to purchase their own home and were living in rental accommodation were captured under this amendment.

1470

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, madam.

I do not rise to speak, I just rise to ask whether we might ask His Majesty's Procureur to set out whether there are any legal implications of this particular amendment, because my understanding is it may well raise some concerns under the articles of the European Convention on Human Rights.

The Bailiff: Madam Procureur, are you able to address that now or do you want some time to consider it?

The Procureur: Well, madam, insofar as this is another direction to investigate, just by dint of it being an investigation, there will not be immediate issues under ECHR, but Deputy de Sausmarez is absolutely right. In the event that this was being looked at in relation to the detail which is in the explanatory note – and what I would just flag for Members is the explanatory note is not binding. It sets out the framework but it is just the explanatory note although it is quite prescriptive.

In that sense, in order to come back for the States detailing legislative and administrative enforcement mechanisms there would inevitably be flagged legal issues around ECHR because there would be questions that would need to be talked about: the rental issue; how you are going to decide the property is not necessarily an indicator of somebody's own wealth; how these taxes are going to fall; could there be issues around Article 1, Protocol 1, for example.

However, going back to the very basics of it, insofar as it is a direction to investigate, that of itself does not lead to those issues, but there would need to be further consideration and there will undoubtedly be legal implications along the way if this is passed.

The Bailiff: Thank you.

Deputy Inder.

Deputy Inder: It is a bit of a repeat to fade here, but the central argument in this amendment is that the size of the house is an indication of wealth, and it simply is not. It is not an indication of wealth. I can go through some lists. Inherited property: someone may live in a large house inherited from their parents and have a relatively modest income or limited savings, and they may decide to live quite frugally for the intention of sending that inheritance on. I do not think that is a crime. It does worry me that there is a really sort of binary choice: big house, envy; small house, poor.

Again, we are back to this just general philosophy. What is emerging here, where there are four or five Members of this Assembly that philosophically want to have a higher tax on wealth. I do not think this is a tax on wealth. It just is not a tax on wealth and it feels to me like the green eye of envy, and I think I have said this before and I am likely to say it again. People are in different life stages. A family may have bought a large house many years ago when the price was much lower, while a younger person earning considerably more may live in a smaller property. It does not take into consideration mortgage and debt. It does not take in location, property history and it does not take in personal choices. And, Members, and to Deputy Goy, personal choice is –

I will give way.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: I thank Deputy Inder for giving way. It is just his reference to large houses or more expensive houses. I do not see that in the amendment. I think it is just properties in general. Am I right there? So this would be – okay, these additional taxes were just on vacant property, not on – it does not matter about the value, if it is an expensive property or a cheap property, just as long as it is vacant for these periods. Is my understanding correct?

Deputy Goy: Sorry, I think that is –

The Bailiff: Sorry, Deputy Goy.

1525 **Deputy Leadbeater:** I think that is my understanding and I think that is correct.
Thank you, I will give way to Deputy Goy.

The Bailiff: Deputy Goy. Deputy Goy, you may now answer the question because Deputy Inder has given way to you.

1530 **Deputy Goy:** Sorry, I was just going to answer Deputy Leadbeater's questions. Actually, I think he is referring to the UPL amendment, which is the Underutilised Property Levy, not the Fair Contribution Levy. It is a different amendment.

1535 **The Bailiff:** I think you are referring to the wrong amendment, Deputy Leadbeater.

Deputy Leadbeater: Are we on 42?

1540 **The Bailiff:** No, we are 35. *(Laughter)* Just in case anybody else is confused, we are talking about Amendment 35 at the moment.

Deputy Inder: Members, people do have something called personal choices. For example, within the family, I have seen family members have very small houses and very big boats, and the wealth is somewhere else, and that is very much a Guernsey choice. But it does worry me, and I will put a stake in the ground here. What is starting to concern me considerably – and it is something I have not seen in Guernsey before – is this eye of envy on everyone else's wealth and it is entirely subjective, and I will not be supporting this.

Some of us are allowed to work hard, some of us are allowed to earn money and some of us are allowed to spend our money on what we want and it is not up for, I do not believe, Government just to be looking for ways of stopping that hard work and that effort which has been grown up for 30 or 40 years (**A Member:** Hear, hear.) of actually not going on holidays, not flying around the world, not spending our money on stupidity and actually getting some of us to a point where we know and we are very – I will use the word – we are at least happy that we have done what we set out to do. I just do not like this idea of this envy because this is what it is starting to feel like.

1555 **The Bailiff:** Does anybody else wish to speak on this amendment before I turn to Deputy Falla? Deputy Falla.

Deputy Falla: Thank you, Madam.

1560 P&R opposes this amendment. I have been slightly gazumped by my President on the human rights point, but it does raise the question of whether an investigation is worthwhile if any consequent action then risks contravention, because the proposal relies on definitions and eligibility criteria that may be difficult to apply consistently. For example, it is unclear how the provisions would apply to an individual who has retired before pension age and is funding their lifestyle through a combination of pension lump sums, accumulated savings and disposal of investments.

1565 From a legal perspective, a tax based on such subjective criteria could be vulnerable to challenge, as it may be difficult to demonstrate that the basis for assessment is sufficiently clear, consistent and equitable across taxpayers.

1570 Similarly, there may be individuals – and I think this has been touched on by a couple of speakers – experiencing financial hardship, who do not meet the prescribed exemption criteria but who are nevertheless unable for personal, legal or market-related reasons to dispose of their property or otherwise alter their circumstances.

While recognising concerns that some individuals are able to structure their affairs in a way that reduces their overall tax liability, the Committee considers that the approach proposed is likely to

1575 be complex to design, administer and enforce in practice. The Committee further notes that many of the arrangements which the proposal appears intended to address are already captured by existing legislation. For example, trust distributions of income are subject to Income Tax, while loan advances from companies are covered by the established loans to participators' anti-avoidance provisions.

1580 Thank you.

The Bailiff: Deputy Goy. Deputy Goy, can you turn your – yes.

Deputy Goy: Ma'am, thank you very much.

1585 Let me just address a few of the concerns first of all by Deputy Camp about the valuation of a property which is better than TRP. I think it is. However, the problem is that we do not generally evaluate our properties every year. Properties that have not been on the market for a long time, the price of the property, the valuation of the property is outdated by many years. This is why TRP is used here, because TRP is very objective. It is consistent. It does not require someone to evaluate a person's house for the value. This is why. I understand TRP is not a perfect measure, but a property which is bigger is generally more expensive.

1590 Let me move on to the next point, which is Deputy Humphreys's point on wealth tax. I would like to stress that this is not a wealth tax. A wealth tax is notoriously difficult to administer because it is very difficult to actually determine someone's wealth. This is one of the problems with wealth tax. I recognise that, the FCL recognises that, and this is why it comes up with a much more elegant metric, which is TRP, and then incorporate very good exemptions and safeguards on to that tax so that no one that is not supposed to be caught will be caught by the FCL.

1595 To Deputy Humphreys's point, wealthy people do contribute. Yes, I had this conversation with Deputy Humphreys in the Locate Guernsey office and we talked about wealthy people being very generous in their donations and spending lots of money on the Island, eating out and that sort of stuff. However, here is the thing, consumption is not a substitute for taxation. This is the point.

1600 I have already made this point a few days ago when I said that there are only a few thousand very wealthy people on this Island. Their day-to-day consumption is not going to generally move the needle on our economy. Even the ones in a blue-moon house renovation is not going to make a lot of difference, due to the number of wealthy people on the Island.

1605 Now, when it comes to donations, I think it is good for someone to be generous, and I really appreciate that. However, again, donation is not a substitute for paying your Income Tax. If I asked everyone on this Island that you do not have to pay your Income Tax, you can just donate, I think they will be very generous as well in their donation. Again, if you do not have to pay taxes you can be very generous in donation. Again, the point that I am trying to drive through here is donation is not a substitute for paying Income Tax.

1610 Deputy Vermeulen, those renting in big houses. Okay, so the way FCL works with those renting in big houses is that it looks at not just the size of the house. Let us say this person lives in the top 10%, because they have to first qualify to be in the top 10% of the houses first, all right? Top 10% biggest in terms of TRP. If they are assessed for that there are exemptions. For example, in the declaration they could say that they actually have no other income. They are a pensioner, they are – perhaps even to extend this example and, going into Deputy Inder's example, there are people who bought big properties on this Island many years ago when it was very cheap, relatively cheap.

1615 This Fair Contribution Levy actually recognises that and makes sure that there are strong exemptions in there that do not catch these people. They can basically tick in one checkbox and say, 'No, I do not have any other income beside what I have already declared, and I am a pensioner', and that is it. That one tick box resolves it; the FCL is no longer applied to them.

1620 Now, that tick box, of course, is a declaration. Yes, people can lie in declarations, but we all know the consequence of lying in declarations. What I am trying to do is make the FCL as simple to administer as possible. I believe a lot of people will be – most people will be actually honest in their

declaration when it comes to that. So it is nothing to do with envy about someone living in big houses. There is nothing to be envious about.

1630 Deputy Inder rightly pointed out there are those people who work really hard to afford a big house. No problem. This does not penalise them at all. Basically, the FCL is simply saying that if you live in the top 10% biggest properties on this Island and your contribution is way below what is expected of you in terms of the median, then you pay the balance. That is what the FCL is.

1635 Now, Deputy Falla talked about living off substantial savings. Here is the thing, there is a difference between someone living on their savings and someone living off substantial savings. Say, for example, someone lives in a very big house, top 10% of the Island in terms of size, and they are pensioners. They are basically living off savings, frugally. The FCL will not catch them because all they need to do is put a checkbox on one of the forms and that is it, done. The FCL says, 'Move on, next'. However, if this person is actually living off substantial savings, we are talking about – there is a big difference between if you have a savings of £10,000 in your bank account or if you have £10 million in your bank account, all right. The FCL makes a distinction on that as well. It is all in the framework and it is all in the explanatory note, and it is something for P&R to actually investigate.

1640 So what I am trying to say is, at the end of the day, I am not asking P&R to implement the Fair Contribution Levy right now. We all understand the sentiment of the public. They want to make sure that everyone on this Island contributes proportionately and fairly. The least we can do is actually just investigate what the Fair Contribution Levy Framework is asking us to investigate. If P&R comes up with opposing views on what the FCL's view is, that is fine.

The Bailiff: Ten seconds left, Deputy Goy.

1650 **Deputy Goy:** Investigation, due diligence is what this amendment is asking. Thank you.

The Bailiff: Thank you.
Yes, Deputy St Pier.

1655 **Deputy St Pier:** Madam, out of an abundance of caution, I think I ought to declare a possible interest in possibly occupying a residential property within the top 10% of TRP values.

The Bailiff: Thank you. I am very grateful.
1660 Yes, Deputy – thank you. *(Laughter)* Well, it would have been top 10%, so if you think you might be in the top 10% of TRP.

A Member: Ma'am, would that also include to family members we have to declare?

1665 **The Bailiff:** I do not believe it is extending beyond your family. I think it is just about the individual. So in an abundance of caution, you may want to do it. But all I can do it is on the basis of the amendment as it is drafted. I have no more information than you.
Yes, Deputy Strachan.

1670 **Deputy Strachan:** I also would like to declare a potential interest. I have no idea, but maybe. *(Laughter)*

The Bailiff: Thank you.

1675 **A Member:** I had better as well, then. *(Laughter)* We do not know what 10% is, so it is not possible, actually.

A Member: I will too, if I may.

The Bailiff: Thank you.

1680

A Member: I am in the same boat.

A Member: I doubt it, but I will declare.

1685

The Bailiff: Thank you.

Members, you see the SEV in front of you, which has Amendment 35. I will ask the States' Greffier to kindly open the voting.

There was a recorded vote.

1690

Not carried – Pour 5, Contre 32, Ne vote pas 5, Did not vote 0, Absent 0

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

1695

The Bailiff: There voted in relation to Amendment 35: pour 5, contre 32, and there were 3 abstentions. I therefore declare that the amendment has not passed.

[Amendment 42.](#)

To insert an additional proposition as follows:

"To direct the Policy & Resources Committee to investigate the financial yield and legal framework required to implement an Underutilised Property Levy (UPL) applying to underutilised residential and commercial property, based on:

(a) residential property being treated as underutilised where it is used as a secondary or holiday home for fewer than 183 days per calendar year, or remains substantially vacant and unused for more than 12 months, subject to defined exemptions;
(b) commercial property being treated as underutilised where it remains vacant, unleased or non-operational for more than 12 months, subject to defined exemptions; and
(c) liability being calculated by applying a policy-determined multiplier to the property's existing Tax on Real Property (TRP) assessment;
with the detailed framework, including exemptions, anti-avoidance safeguards, administrative and enforcement arrangements, and transitional provisions, to be developed in accordance with the details outlined in the Explanatory note; and to lay a comprehensive report before the States of Deliberation no later than June 2027 detailing the financial yield, legislative framework and enforcement mechanisms required for its operation."

The Bailiff: We are now moving on to Amendment 42, Deputy Leadbeater. *(Laughter)* Deputy Goy, do you wish the States' Greffier to read out your amendment?

1700 **Deputy Goy:** Yes, please, ma'am.

The States' Greffier read out Amendment 42.

The Bailiff: Thank you very much, States' Greffier.
Deputy Goy.

1705

Deputy Goy: This amendment asks P&R to investigate the financial yield and legal framework required to implement the Underutilised Property Levy or UPL. The principle is straightforward. If residential property is being used only as a secondary or holiday home for fewer than 183 days a year or is substantially vacant for more than 12 months it would be considered underutilised, subject to defined exemptions.

1710

For commercial property, the same principle would apply where it remains vacant, unleased, or non-operational for more than 12 months, again subject to defined exemptions. If a property is found to be underutilised, the proposed levy would apply a significant multiplier to its existing TRP assessment.

1715

That, in a nutshell, is the UPL. So why do we need this amendment? Because land is one of the most finite and precious resources we have. Guernsey is a small island of only about 24 square miles. Unlike a major city where hundreds of homes can be built on a single parcel of land, much of Guernsey's property is landed. When someone buys a house here, they are not simply buying a unit, they are also taking control of a parcel of our very limited land. That matters when property is bought not to live in or rent out but as an investment or a passive store of wealth.

1720

Around the world, wealthy individuals buy high-value properties not to live in or rent out but as investments. They may leave them empty, speculate on their future value or use them only as holiday homes. But on a small island like Guernsey, that can have a much greater impact. A single underutilised landed property does not just mean a vacant house. It also means a parcel of scarce land being held out of productive use, and that parcel can be very significant in size.

1725

Members will recall that States' data from 2025 identified around 183 residential properties that appeared vacant based on electricity consumption alone, but that should be regarded as a conservative baseline not a definitive picture. Electricity consumption alone cannot tell us whether a property is genuinely underutilised. It can be masked by background usage from something as simple as a refrigerator or a heating system. It does not identify holiday homes and it does not tell us how much land those properties occupy. So those 183 vacant residential properties could simply be the tip of a much larger iceberg, and we have not even looked at underutilised commercial property.

1730

Now, I want to be very clear about what I am proposing. I am not saying that every vacant property is a problem. A property may be empty because its owner has moved into long-term care, it may be going through probate, it may be undergoing major structural works, it may be genuinely on the market. There are many legitimate reasons why a property may be temporarily vacant. That is why the UPL Framework also provides exemptions where there are legitimate reasons for underutilisation.

The UPL is primarily concerned with how our scarce property resource is being used. If a property is someone's principal home, that is one thing. If it is being actively rented out, that is another. But if a property is deliberately left vacant or used only occasionally as a holiday home, while housing is under pressure elsewhere on the Island, then the UPL would seek a premium contribution through enhanced TRP from the property owner. The principle is simple. If someone chooses to continue holding precious real estate in an underutilised state, they should make a greater contribution to the community for doing so.

The same principle applies to commercial property. This amendment provides a framework for that investigation. Further details are set out in the explanatory note, but the bottom line is before we ask every household and business in Guernsey to contribute more, we should first seek a greater contribution from those using our scarce property for speculation or as a passive store of wealth. I therefore urge Members to support this amendment.

The Bailiff: Thank you, Deputy Goy.

Deputy Matthews, do you second this amendment?

Deputy Matthews: Yes, madam.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, madam. *(Laughter)*

I am going to be sounding like a broken record here because you probably heard these words not too long ago, if I can find the point. I am on the right amendment now, 42. Thankfully. It is the 3.1 in the explanatory note when it talks about the occupancy declaration. It is the question I asked Deputy Goy before. I wondered why he was looking at me really confused and Deputy Inder was next to me looking really confused as well as everybody else. I apologise for that.

It is just I cannot – I struggle to understand how you glean this information from those that do not submit tax returns with the method that is identified within the amendment. I think if that can be explained, I do not see any harm in not supporting this amendment. We have got a problem with underutilised properties and anything we can do to encourage that – I would not like the penalties to be too – I would not like to scare people off from investing in property because of this, because clearly we do not want to set the hares running. It is a phrase that has been used quite often in this debate so far. So if it could be proportionate and reasonable, it is something I could certainly get behind, because underutilised domestic and commercial property in Guernsey is something that we do not want to see.

Thank you.

The Bailiff: Deputy Laine.

Deputy Laine: I too agree that we do have a problem, we have a housing crisis and we do have properties that are underutilised, often with good cause, whether it is illness, people suffering with Alzheimer's, the families cannot do anything, they may be in care. I do not know about the numbers, but I am aware of where someone from a local family in the 1950s -- I will be vague -- with profound disabilities went to school in the UK for those disabilities and had a great life and married someone also with profound disabilities and made a life in the UK and had children. Subsequently, the parents passed and they inherited the cottage.

They are just pensioners living in the UK with a very modest income, but they delight in being able to afford to come to stay in their ancestral cottage once a year and letting their children come here. It is those unintended consequences, because I know exactly what Deputy Goy is trying to do and I accept that. But I would hate to think that we deprive, in this instance, these people of their ability to afford to retain that family home. I am not saying there are lots of these cases, but it is how to deal with those unintended consequences that will interest me and how I will make my mind up whether I support this or not. So if you get time to cover it, then please do.

The Bailiff: Deputy Camp.

Deputy Camp: Thank you.

I understand the sentiment there, I think as probably most people in this room do, because clearly we recognise we are in a housing crisis. We walk through parts of the Island and we see properties that are clearly abandoned and we think actually why are we not doing something with them. I suppose in some ways I do not necessarily not support the investigation. I think there are some issues, because I think again the request that Deputy Goy is making does go too far. I think there are some issues in terminology. I looked at what a non-operational property is under. It is defined as a definition of that and it seems to just be circular back to non-operational. So I do not know is a non-operational building a building that is masquerading as a car. I do not quite know what a non-operational building is. So this does confuse me in many ways.

I also think that some of this work should be being done anyway. If it is not, then please can people on the relevant Committees confirm that, and that perhaps this has a bit more leg to it. But also I think the other side of it is, I do not think we should lose sight of the fact that I think it is incumbent upon us as a Government to deliver on new houses. This is not the only way to solve a housing crisis. It might feel quick and easy, but actually a lot of these buildings which are underutilised, I think we run the risk of them being in a pretty bad nick. They are probably not as quick to flip around as people seem to think, and actually I think we should be focusing on the bigger task of adding new stock in different ways.

I suspect at some stage as well someone may ask about whether there are any rights impinged here, because I do think, even if it is not a big human right, it does feel like people do have the right to earn money, use their money in their property in the way they want. But we do come back to the right to a private and family life. A lot of this does seem to try to target – whether that is a big human right or a little ‘h’ human right. We do seem to be trying to, again, target people.

Yesterday, I think Deputy Inder and I fell out a bit, but today I agree with you. I think there is a sort of envy there. Look, I will always be honest, Deputy Inder. But I think there is an envy here. I really think our job is to build new houses and to support the Housing Committee to deliver those houses.

Thank you.

The Bailiff: Deputy Inder.

Deputy Inder: Thank you.

Just to Deputy Camp’s point, I do not think disagreement is falling out, otherwise I really would have no friends at all, and I do not think I have. But just to Deputy Camp’s point, I do not think the housing crisis is a consequence of underutilised buildings. The simple fact is this Government – or rather not this version of Government, probably lost two successive Governments, just have not built enough. That is the problem that we are in today.

Also to Deputy Laine’s point, I recognise possibly one of the homes he is talking about, and there is a Guernsey diaspora and they do have family houses and they do come back and use them, possibly over the summer months. A couple of them I am thinking about are not particularly well utilised, yet conversely they are not all derelict either. I am also aware of another place where a relatively well-off person comes over here, uses it two or three months a year, but it does not do it

on its own. The gardener is there every day, the pool is being swept, the internet is on, the electric is heating the house, so it is not – so we have to be careful what we think dereliction is or underutilised is. It is going to be horribly complicated.

And there is mention of commercial property, I think, in this. Have I got the right amendment?

The Bailiff: Yes, commercial property is (b).

Deputy Inder: Yes, there is a mention of commercial property here. I would genuinely be surprised if any commercial property in Guernsey is underutilised, because it is earning quite a lot of high rent and, if anything, there is a dearth of commercial property, potentially in areas such as storage. So I would be surprised if that would be in scope.

Just before anyone asks, I do not think vinery sites come under the term 'commercial', because I think the whole is treated as agricultural land rather than commercial or industrial estate. Yes, it is an agricultural-use class, so that would not – if Deputy Goy was thinking that glasshouses would come under commercial, they are probably not. So I think when we think commercial, we have got to think empty tin sheds.

So where am I? I am not a fan because I do not think – I think the emphasis is not on – the problem about the housing crisis is not the problem. It generally is not the problem. I generally think this is going to be – the juice on this will not be worth the Civil Service squeeze to extract out of it. So in this case, I am not going to support it and I would encourage Members to adopt the new policy letter from the DPA and allow Housing to carry on building some – or at least getting to the point where they can start building some houses. That would be my advice.

The Bailiff: Deputy Sloan.

Deputy Sloan: Thank you, ma'am.

I am a bit torn on this amendment too, but I am probably minded to support it. The reason I am torn is I do not really like the idea of something that interferes with people's private property rights in terms of people's second homes and such if they have a second home. However, underutilisation is an issue. As Deputy Falla will recall, following him around St Martin's 15 months ago, putting leaflets through doors, I was actually quite taken aback in my own parish just how many empty private properties there were, and they had clearly been empty and derelict for some time. I think at the margin, anything that does bring something back into use is to be welcome. That said, I do agree with Deputy Inder's point that actually the vast majority of the issue is a lack of actual supply. There is a dearth of building over the last two or three years, that is the main solution to that or would have been the main cause of the lack of property.

However, what I do disagree is actually the commercial property. I think this is a very good idea in terms of underutilisation. Business rates in the UK have a prohibitive rate after six months and I know that the States have actually tried to look into this several times and it got kicked into long grass because the civil servants said they could not get a right and proper definition. If they have a right and proper definition in the UK, I am sure in this day and age it is possible to come up with one.

Where I do disagree, I do think actually there is quite a large amount of commercial property in St Peter Port and elsewhere of underutilised office space that could be, with prohibitive taxation, encouraged to look for alternative use. We have had it on the Pollett. There is the opportunity to incentivise developers to bring that property back into a different type of use. So in that respect, I am minded to support it. I am talking myself into it.

Thank you, ma'am.

The Bailiff: Deputy Williams.

Deputy Williams: Thank you, ma'am.

1890 The Housing Committee are obviously very keen to see all housing utilised across the Island. There is a shortage and we are obviously working on a lot of means to increase the supply. Actually, in terms of the vacant properties, from the statistics and the evidence that we have, 183 vacant, and I know it is on the electrical consumption use, although obviously potentially that is not absolutely perfect as a barometer. But that actually comes out at 0.7% of the housing stock. Some of those
1895 properties also may well be in probate, some people may well be in care and not sold the property or there are issues with the family, some of the points that were picked up by Deputy Laine.

 So in terms of the principal problems that we have in terms of solving the housing problem, I do not think this is the answer. I do not think it is the biggest problem we have. The biggest concern is the non-developed land or buildings with planning permission that have not been developed and
1900 that remain derelict. There are measures that have been taken by the DPA on derelict buildings to some success to coerce and push owners to progress those forward. There has been work previously done that we inherited from the previous E&I Committee which looked at penalties and incentives for housing supply, and particularly with regard to developers and landowners of buildings and land.

1905 We are working currently in the incentive side of things, but actually if we feel that we are not getting far enough, we will be looking more proactively at the penalty side of it. I think that might be an area that, personally, I was thinking we might activate more during the next 12 months ready for the Budget for next year in terms of looking more at the penalties. Because it is a bit like we have been out, and we have talked to masses of landowners and developers with planning for over
1910 10 units, so the bigger developments that would make an impact in the Island's housing supply. If we have tried it in a nice way, then we will try it in a less nice way in that we try and push them financially to actually get their spades out, as Deputy Vermeulen likes to refer to, and start sticking some spades in the ground.

 So we will, I think, be more proactively looking at the penalties for those that are sitting on it and basically land banking. That is a different matter to this. I do not think this is our principle problem but, in terms of where we hit people in the pocket, I think it is areas where buildings have not been converted and there are some coming forward now. I think they are more expensive to do, but there is office space that we are having conversations with people about and they are starting to get developed and adapted into residential, and also the DPA have been more flexible
1920 about it. I will give way to Deputy Curgenvén.

The Bailiff: Deputy Curgenvén.

Deputy Curgenvén: Thank you, ma'am.

1925 I thank Deputy Williams for giving way. Do you have any timelines on the plans that the Housing Committee have at all? Anything concrete at all on what you were just talking about. Sorry, ma'am, through you to Deputy Williams. Timelines about unused office space. What you were just discussing before.

 Thank you.

1930 **Deputy Williams:** It has already actually been worked on, interestingly, and we have had some meetings with developers and landowners of office space and those are coming forward. As I have mentioned, the DPA have taken, I think, a progressively more flexible view over time about assisting people. There are issues always with conversion of office space, boringly on building regulations and fire regulations, and obviously natural light which is quite different when you live in property
1935 as residential compared to office space. Office space: you can just work under. Artificial lighting: you are not allowed to have living space and bedrooms like that.

 So there are all sorts of issues about certain space not being easy to convert, but we will be, I think, going through our list on the penalties as a Housing Committee because we have a list of
1940 areas that we might financially coerce people into action, and so we will be working through that and, over the next six months, I would like to be raising that with my Committee. But supply is our

big issue of new homes and there will be things coming forward to you with the DPA on land through the IDP.

1945 I am possibly going slightly off tangent here, ma'am, but it is relevant in terms of housing and the housing market and if we can get the States vote to support the IDP review, that is a supply of land, we will then need the funding in order to then negotiate with developers in order to make sure that we get spades in the ground on those IDP review sites, so that is all fun and games to come. So, overall, I do not think this is our biggest problem to focus our time and attention on.

Thank you very much.

1950

The Bailiff: Thank you.

Does anyone else wish to speak in relation to this amendment before I turn to Deputy Falla?

Deputy Falla.

1955 **Deputy Falla:** Thank you, madam.

P&R has been progressively working to explore the potential introduction of a levy on vacant residential properties and has been working closely with the Committee for Housing and, in fact, past P&Rs have also looked at it. Significant challenges have been identified however, and not least the level of resources that will be required to implement it, and Housing are not prioritising further work on this. Deputy Williams has just explained what is top of mind for them.

1960 The 2024 Budget proposals also looked at an enhanced TRP tariff for residential and commercial properties unoccupied for six months or more and, ultimately, this was not supported by the States. May I ask Deputy Goy whether this TRP measure would apply to Alderney where, arguably, it is a bigger issue? More overall, there are significant concerns about practical application and workability of the areas that the amendment calls for P&R to investigate. For example, this is a behavioural tax designed to change behaviour noting that behavioural taxes are not usually considered sustainable sources of revenue.

1970 Defining which properties are underutilised will be difficult, as we have been discussing, given the wide range of exceptions proposed. Furthermore, the proposed minimum baseline of a 50 times multiplier could be subject to legal challenge that it is disproportionate. For example, an average size residential property would be around £17,500 a year and a 500 m² office, which currently has a TRP bill of £29,500, would be subject to an increase of £1.475 million under this proposal.

1975 Not everyone who owns a home in Guernsey – secondary residencies in particular – is required to submit a Guernsey tax return as raised by Deputy Leadbeater. The collection mechanism is therefore likely to miss a large proportion of properties it intends to capture. And, finally, I need to be careful what I say, but there is a Budget just around the corner.

The Bailiff: Deputy Goy.

1980 **Deputy Goy:** Thank you, ma'am.

Ma'am, let me just address some of the concerns by Members, so I will start with Deputy Leadbeater about declaration by properties not owned by, say, a natural person or someone not lodging their tax return. Every property is attached to an owner whether that owner is an actual person or a company or a trust.

1985 So the declaration, if it is not owned by a natural person who lodges a tax return, will be done by whatever agent is responsible for paying, for example, TRP of that property because TRP is collected regardless. So whatever agent that is responsible for paying the due diligence of the property will be in charge of doing the declaration if it is not the natural person that pays taxes and so cannot declare it on the Income Tax. I hope that answers your question, yes.

1990 Deputy Laine: holiday homes for family members from afar. I can understand that but with every policy, there are always going to be winners and losers and I do not discount that. Where the losers are, if you have holiday homes that are vacant for more than 183 days a year and, once in a while, accommodates some family members from overseas, that holiday home could have been a home

for someone else. It could be a home for someone who actually needs it. Remember, housing is scarce on this Island, land is scarce on this Island, so the housing is taking up a plot of land on our very precious land on the Island and doing very little for the 183 days of the year or more, so this is something that we need to consider as well.

Deputy Camp talking about envy: I do not know where to start on this, to be honest. This is a genuine attempt to actually resolve a real problem on the Island. I think it is quite unacceptable to categorise every attempt that involves taxing the rich as envy. It is a very logical thing. We all know that we need money. The Government says so. 'We are running out of money.' You can either raise that money with the broader shoulders, with those who are the wealthiest, especially if they have not been paying their proportionate Income Tax or if they have been speculating using our precious property or you can tax ordinary people.

You have two choices. You can choose taxing the wealthy or you can choose taxing ordinary people and, unfortunately, I think we have chosen to tax ordinary people and, to me, that is wrong and that is why I have come up with these amendments because all of these amendments, when I designed them, I have two criteria in mind. Number one, all of my amendments must not ask for a single penny more from ordinary families and I think I achieved that. Number two, it must not be unnecessarily burdensome to businesses. I believe I also achieved that.

Talking about building more is a solution also by Deputy Camp. Here is the thing, we have finite land to build on. The more land we have occupied by houses not being lived in is land to build on, and I recognise the need to build more for sure, but let us also not forget that there are houses on this Island that are currently unoccupied or substantially underused. Deputy Inder was talking about it being horribly complicated to determine underutilisation based off electricity. Yes, I actually addressed that in my opening speech because electricity can be spoofed. You correctly said that. You could just have a heating system. You could have a refrigerator running there and that is it. It will get off the radar.

This is why I designed UPL based on declaration. It is meant to be simple. It is a declaration that arrives every year for every taxpayer in Guernsey. If they have underutilisation, they tick the boxes. If you look into the explanatory note, there are a lot of details in there and how the form actually looks. It is meant to make administration easy. Of course, I have already addressed the point where, if the property is not owned by an actual person, if it is owned by a trust or a company, how it can be done. That is also explained in the explanatory note already. So it is not horribly difficult to determine underutilisation. Yes, it requires the honesty of the person declaring but, then again, declaration is a legal thing. I do not think people would chance it and be dishonest about their declaration.

Deputy Williams: this is not a big problem. Deputy Williams says that. The thing is that we do not know the extent of the issue before we actually investigate it further. It is more than just electricity and walking around houses. This is why I said we need to investigate how big the issue is. How big is this iceberg? We saw the tip of it. How big is it underneath? We cannot categorically say, 'This is not a big problem' before we actually have done the investigation and evidenced it.

Deputy Falla about Alderney: this should apply across the Bailiwick so Alderney as well. If there are people who use properties for speculation or use them for – I give way to –

Alderney Representative Snowdon: Sorry to interrupt but would it be worth just –

The Bailiff: Are you asking Deputy Goy to give way?

Alderney Representative Snowdon: Yes, ma'am. I am, yes, thank you.

The Bailiff: Deputy Goy, do you give way?

Deputy Goy: Yes.

Alderney Representative Snowdon: Would it be worth checking with the Law Officers whether it applied to Alderney or not just so that we are 100% clear?

Thank you.

2050 **Deputy Goy:** Obviously, again this is an investigation.

The Bailiff: Deputy Goy, do you wish to check with the Law Officers whether or not this would apply to Alderney?

2055 **Deputy Goy:** Yes, please.

The Bailiff: Madam Procureur, Alderney Representative Snowdon has posed the question about whether or not this would apply to Alderney.

2060 **The Procureur:** Well, Alderney does have its own property taxes in some areas, so it is really a matter for what the investigation reveals and what the Policy & Resources Committee wish to do and how far they wish that investigation to go.

The Bailiff: Thank you.

2065 Deputy Goy.

Deputy Goy: So, yes, again, this is an investigation. It is not a definitive tax that is coming in tomorrow or the day after. It is basically a call to investigate a real issue that we have in Guernsey and that is to do with our housing and our use of land. I want to address the point by Deputy Falla about a 50 times TRP punitive rate. It is just something that I put in there as an example. Again, it may be inappropriate or it may be too high. Some people think it is too low, depending on who you talk to. At the end of the day, this is an investigation.

If P&R decides that 50 times TRP is too much, come up with a number and lay a report before this Assembly in June 2027, and that is all this amendment is asking for. Let us do our due diligence. I give way to Deputy Collins.

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The Bailiff: Deputy Collins.

Deputy Collins: Thank you very much for giving way, Deputy Goy.

2080 I just wanted to touch on the Committee *for* Housing did have a presentation and papers back in January where we met with some officers and discussed this very point and, again, identified 100-odd properties but, again, from the investigation of that, it was not a major thing. So while you are suggesting an investigation has not happened, an investigation has happened and we do have the evidence of some data to do with electricity and other things that would identify the property. 2085 So just to reinforce work has been done on this. The Committee *for* Housing has not put this as a priority because we do not believe there is merit in doing so at the current time, but just to echo again that an investigation has happened.

Thank you, ma'am.

2090 **The Bailiff:** Thank you, Deputy Collins.
Deputy Goy, you have eight seconds.

Deputy Goy: Well, I cannot answer that. Okay, please support this amendment.
Thank you very much.

2095

The Bailiff: Members, you have before you Amendment 42 on the SEV. States' Greffier, would you open the voting, please?

There was a recorded vote.

2100

Not carried – Pour 10, Contre 26, Ne vote pas 4, Did not vote 0, Absent 0

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

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The Bailiff: There voted in relation to Amendment 42: pour 10, contre 26 and there were 4 abstentions. I therefore declare that the amendment has not been passed.
We now move on to Amendment 43.

[Amendment 43.](#)

To insert an additional proposition as follows:

"To agree in principle that a new Proportional Property Tax (PPT), based on property value, and Land Value Tax (LVT) based on the unimproved value of a parcel of land, should be investigated and to direct the Policy & Resources Committee to return to the States no later than June 2028 with proposals which should include consideration of:

- a) How property tax should be calculated and applied and whether there should be any exemptions;*
- b) Whether a new tax should be applied in addition to or instead of Domestic Tax on Real Property;*
- c) A mechanism to allow pensioners and low-income households to defer the payment of property taxes until the sale or the transfer of the property to a new owner;*
- d) The potential to partly or fully replace Document Duty or for specified categories of property purchase, including:*
 - i) first-time buyers only, or*
 - ii) purchases of principal private residences only, or*
 - iii) for all residential purchases.*
- e) The potential to partly fund an increase to the scale of the amount of interest paid that is allowable for Mortgage Income Tax Relief for Income Tax;*
- f) A premium rate of Proportional Property Tax for second homes, unoccupied homes, and properties in foreign ownership;*
- g) A banded or tiered mechanism to allow lower rates for residences at lower values."*

The Bailiff: Deputy Matthews, do you wish the States' Greffier to read out Amendment 43?

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Deputy Matthews: No, thank you, madam.

The Bailiff: Thank you.

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Deputy Matthews: I think I can take it. Madam Bailiff, we find ourselves again in what seems sometimes a bit like a recurrent nightmare of a GST debate. I first laid a version of this amendment in 2023 where I was able to deliberate a much longer speech than the one that I will attempt to rattle through as quickly as I can today.

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This amendment offers a pragmatic way forward. It does not impose any new tax today. It instead asks us to agree in principle to investigation a fairer evidence-based proportional property tax or a land value tax and directs P&R to return with a comprehensive data-backed proposal by June 2028. This amendment works for supporters of GST as property tax reform will help avoid the need for some future increases in the rate and, equally, for those Members who would prefer alternative sources of revenue.

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For anybody unfamiliar with this model – which is one that is being advanced by campaigns like Fairer Share in the UK who have an awful lot of research on how that would work in the UK – the concept is simple. We shift some of our tax base away from income and consumption taxes and, in Guernsey's case, away from a physical floor space metric and on to actual capital asset wealth, but specifically for residential property in Guernsey. This is absolutely not a general wealth tax.

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So to guide that investigation, this amendment lays out seven critical criteria, (a) through (g), that P&R must evaluate. So first under point (a), the Committee would look at how a property tax could be calculated and applied and, crucially, this means deciding what mechanism we use to establish valuations. We do not need an army of surveyors visiting every door. The investigation could look at modern low resource options like automated desktop mass evaluations or the highly successful self-valuation system which was implemented by the Republic of Ireland. The second point (b), is P&R will determine whether this tax should be applied instead or as well as the existing TRP so whether it would be a supplement or a repeal and replace option.

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Point (c) provides what is really the ultimate social safeguard. It is a built-in deferral mechanism. This completely neutralises the fear of penalising asset-rich cash-poor pensioners allowing low-income households to secure or defer payments against their property equity until the home is eventually sold or transferred. Point (d) explores the potential to partly or fully replace Document Duty, which I think we could have a general agreement which has all sorts of negative aspects to it, and it allows taxpayers to defer the upfront hurdle of payment for first-time buyers and families when purchasing their principal private residence.

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Point (e) investigates using revenue to partly fund an increase in mortgage Income Tax relief. We know that Guernsey's property market is very highly leveraged and I think that, in Guernsey, that would be very important. Point (f) introduces a potentially really useful economic tool for the potential for premium tax rates targeted specifically at second homes, unoccupied vacant properties and properties in foreign ownership which can help to disincentivise hoarding and release critical housing back into our local market.

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And finally under point (g), it asks for an evaluation of an abandoned or tiered mechanism, which can mean that actually modest residences or actually even up to average residences, could have much lower values or under-protected lower rates while the capital asset concentrations at the top of the market can contribute on a genuinely progressive and fair share.

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Madam Bailiff, the financial implication of carrying out this amendment is strictly limited to the internal resource costs within P&R. I understand P&R and the Committee *for* Housing have some elements of this in progress. This will perhaps draw things together. We have some of the precursors in place already.

2160 **The Bailiff:** Ten seconds left.

Deputy Matthews: So I would urge Members to support the amendment.
Thank you.

2165 **The Bailiff:** Deputy Gollop, do you formally second this amendment?

Deputy Gollop: Yes.

The Bailiff: Thank you.
2170 Who wishes to speak on this amendment?

Deputy Gollop: I will speak.

The Bailiff: Thank you, Deputy Gollop. *(Laughter)*

2175 **Deputy Gollop:** I do not want to repeat what Deputy Matthews has said. There is clearly a certain similarity between this amendment and a couple of Deputy Goy's in that they cover the ground about payments being proportionate to the financial position of the owner and also, to a degree, to ensure there is potential for rates reform. I regret the loss of the old cadastre system. I think it
2180 was useful on many levels, both as a tax and as a way of rent control, but we moved on to Tax on Real Property. But it has always been flawed and we have seen many budgets over the years that have changed those rates.

I think it is time we have a proportional property tax based on value. Of course, that value might be different for open market houses or local market houses or mixed commercial and residential
2185 but that can be researched. I think we are quite generous in giving Policy & Resources up to June 2028. That is still over 18 months away. And the land value tax on unimproved value will perhaps be a useful conduit for exploring how to grow food more and how to value green land that is not suitable for agriculture but could be suitable in other ways. I have long supported equity release to allow pensioners and others to defer the payment of property taxes until the sale or
2190 transfer of a property or a new owner using equity release.

I think we need to look at Document Duty in a progressive way, although I would urge caution here because Document Duty, if you just take it off and you have a huge amount of demand and little supply, it is logical that the vendor prices would probably increase. What you need is not only to increase the supply but, as the amendment implies, look at whether to target first-time buyers
2195 or purchasers of principal residences and be a bit less generous – I do not know if this applies to Alderney – but on second homes in Guernsey and possibly certain kinds of landlord, although we do need landlords.

But I think the tendency in Guernsey for first-time buyers to compete with small landlords can lead to inflation and, in fact, there are other communities around the world that restrict the ability
2200 to buy property if you are a non-resident. This does not go into that, but it is another thing to look at, and it mentions a premium rate of a proportional property tax. I do not know quite what that would entail, but that would be considered in line with Housing work and Housing planning and particularly Economic Development. I think it does contribute to the States' objectives of ensuring Guernsey's tax system remains fair and just.

2205 It potentially raises significant extra income efficiently and, again, pundits are already suggesting I am inconsistent in my politics. As Deputy Bury said, they do not know how I will vote – well, it is a bit of a mystery – but she often says she has decisions to make too. My point is I think where I have been consistent is to give the opportunity for as many different reforms and revenue raising ways to be considered so that we reduce the burden of taxation just using consumption taxes or income
2210 taxes and we need a reset of the Zero-10 era. And this potentially is an earner.

It also perhaps will change behaviour, not in that it would shadow what the UK council tax and stamp duty in other jurisdictions do but it would hopefully lead to a better use and a more efficient use of land even in Alderney, even if it does not cover Alderney. I would say Alderney and probably Guernsey too benefits more from younger families and people living and working on the Island and doing things rather than people who are only there a month or two or three a year.

This kind of reform is a bit like what Deputy de Sausmarez used to say a lot in the last States'. It is kind of winking and nudging and it is kind of encouraging behavioural change, and not in a draconian way, but by using tried and tested political methods that can actually bring progressive improvement. I urge you to vote for it.

The Bailiff: Deputy Laine.

Deputy Laine: Thank you, ma'am.

I would just ask Deputy Matthews if he could clarify when he sums up regarding (f) where it says:

A premium rate of promotional property tax for second homes, unoccupied homes and properties in foreign ownership.

I would like some more understanding around the foreign ownership piece because while I think I know what it means, I think, in practice, there are many Islanders that have left the Island to pursue a career and perhaps had a home here. And, quite rightly, they have rented that home out and it has been available to local people and maybe a tax resident anywhere in the world for any amount of period.

They may be planning on coming back to Guernsey. But they are not depriving the market of the house but I imagine it would be foreign-owned and, therefore, they would have to pay a premium. That seems wholly unfair, and if he could just explain his thinking on that, that would be helpful.

Thank you.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Madam, we have had an iteration of this debate now probably two or three times because every time there is a Budget debate or any discussion on TRP, Deputy Matthews exercises his democratic right to bring an amendment on this issue, which I appreciate. But it is a broken record and the debate focuses around the following core fundamental issues with this approach, which is that what Deputy Matthews is suggesting is the tax you pay is dependent on two key values that change all the time. That is property value and, in addition now, it is also land value.

All those things are changeable potentially on an annual basis and would, in principle, for fairness, correctness and transparency, require the evaluation of property values of all 27,000 properties we have on the Island and also, not only that, we do not have uniform properties. You cannot do a postcode valuation of GY1 or whatever where all properties will be similar because properties are extremely different next to each other but, not only that, the real value is ultimately between the buyer and seller. What the buyer is prepared to pay for a property, the value of the property, and what the seller is ultimately prepared to sell.

So, even when you might have a commercial valuation by a property surveyor, ultimately the true value is also dependent on a multitude of circumstances of what a buyer and seller would ultimately be prepared to do, given the market conditions, given interest rates, given all of those factors. So this is completely and utterly impractical in a real sense, and the suggestion that there may be some self-valuation is bonkers.

The other thing, it continues to penalise property ownership and property investment. So if, let us say, you are investing a bit of money in refurbishing your property, you put a new bathroom, done a new porch, do you know what, great, but we are going to penalise you for that because you

are going to have more tax on that. I just think the more we are trying to penalise anything to do with property, we are propagating the problems we are having. We need to move away from, I think, such probably high, I would say, rates of property taxation.

2265 But on the very principle, I just think it is completely unworkable because the only way to do it fairly is to do an evaluation of all of the properties we have, 27,000-plus, on an annual basis. That just does not work.

The Bailiff: Deputy Leadbeater.

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Deputy Leadbeater: Thank you, madam.

I was going to make the same point that Deputy Kazantseva-Miller made about Deputy Matthews and his obsession over property tax and that we will see this time and time again. For that reason, I think we should support it. Because, if we do not support it, it is going to come back and it is going to come back and it is going to come back, because we are agreeing in principle that a new property tax based on property value should be investigated.

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The wording is a bit strange. To agree in principle that it should be investigated, then directing the P&R to investigate it. So the wording is not perfect. But I think it is worthwhile. What is wrong with having this investigation and returning back? If it comes back and it says, 'We cannot do this, it is a rubbish idea', for all the points that Deputy Kazantseva-Miller has pointed out, then it is done, and then we will not hear from Deputy Matthews at the next Budget round with a similar amendment.

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So I do not think there is any harm in looking at this. We know that property taxes of a similar nature are abundant in other jurisdictions. Whether they work or not is a different thing. I am going to support this just because I know that Deputy Matthews – I worked with Deputy Matthews last term and I had this in my ear on HSC consistently. So just in case I ever might work with him again, I am going to support it and I encourage Members to do so also.

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The Bailiff: Deputy Helyar.

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Deputy Helyar: Thank you, ma'am.

One of the issues I have with this, and it is consistent and I raised it the last time we debated it, was that this attempts to create tax liquidity out of capital. I know that Deputy Matthews, in fact he has worked harder on trying to find ways around that by allowing deferral for pensioners and people that could not afford to pay the tax. One of the problems I have with it is we are a nice, friendly bunch of people and we can make reasonable reasoned decisions about the value perhaps of people's property and the amount of tax they should pay. We have had a lot of debate about that over the last couple of days.

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What happens if you get a Government that decides everybody's property is £5 million and they cannot afford to pay the tax and that has to be deferred? Then the Government can appropriate their property because they cannot pay the tax. That is what this kind of solution can be used to do. If the Government wants more money, it can simply decide what the value is, and the only way you can challenge it is by paying people like me to go to court and represent you, which is always done for a reasonable fee, of course. But this just does not work on any level. People cannot pay tax if they do not have the money. You cannot create liquidity out of an asset. It just does not work. Fundamentally does not work on any level. It never did. It still does not now, and I wish we could move on.

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Thank you.

The Bailiff: Deputy Camp.

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Deputy Camp: Thank you.

A few points. One is that I wish we could avoid this sort of argument because these things have been debated before in former terms. There is no need to debate them again. Some of us are new and I do not intend to have a returning Deputy speak on my behalf. So this is worth debating. As we all know, it is entirely Deputy Matthew's right to do so.

As I said before, when we are talking about TRP, we already, in principle, tax people on this idea of an approximation of a value of your property. So all those things that Deputy Helyar just spoke about, we are already doing that. So I like this as a potential to look at a different way of looking at it.

In a previous debate, quite a few people agreed that TRP is not an indicator of value. So you can end up being very disproportionately impacted by a TRP because we assume that because you have a slightly bigger property, you have more cash available and your house is worth more. This is an investigation. Some of the points that are being made around valuation are valid. Deputy Kazantseva-Miller has identified the issue. How do you keep a rolling tally of value of a property? That is hard. We only record valuation at the point that a property is sold on. It is the only point where we really pick it up.

But the other one, yes, I get the point that a Government could be really Machiavellian, but our property market generally works upon purchases and sales. That is how we then do a mark-to-market valuation of what our house might be worth when we put it on the market and, yes, someone negotiates us down. So there are already ways of valuing property already and I have not yet seen the Government come in and tell people how they value their properties because we do have a free market principle in that.

So, the other point is that, as a bit of a consolidation of some of the things that perhaps Deputy Goy's amendments were going to before, again, Deputy Matthews has maybe captured some of those points in the sentiment of this. I do not see there is any harm in us considering is there a different way to do this. TRP to me feels like it has had its day. I do think it is an unfair way of taxing property ownership in Guernsey, and so I will support it.

The Bailiff: Deputy Bury.

Deputy Bury: Thank you, ma'am.

Just briefly, I find myself in the same position as Deputy Leadbeater, not just from my experience of working with Deputy Matthews on HSC, but in terms of the wording of the amendment, It is to agree in principle, it is to investigate. But, additionally, to the point that Deputy Leadbeater made at the last part, it says, 'Should include consideration of'. So the points (a) to (g) are not directions that these things must absolutely be done. It said the investigation should consider them.

So it gives a broad enough scope to come back with proposals that would hopefully work and address the concerns made validly by Deputies Kazantseva-Miller and Helyar. You would expect that any proposals that came forward would have safeguards in to address those. So, as I said, I find myself in a similar position. I cannot see the harm, and perhaps it might come with something worthwhile, as Deputy Camp says.

Thank you, ma'am.

The Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Well, there are always unintended consequences, is there not, and that is going to be pretty busy, I think, especially with the adoption of GST, if that goes ahead.

I rise for two matters. One is to get a legal definition of foreign ownership; what that might look like. Is that companies owned by foreign nationals? What is the legal definition of foreign ownership? Could I ask for that, ma'am?

The Bailiff: Sorry. Terribly sorry, for just one moment my attention was elsewhere.

2365 **Deputy Vermeulen:** That is all right.

The Bailiff: Sorry, what was your question?

Deputy Vermeulen: Sorry, just –

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The Bailiff: I was just emailing about the final question.

Deputy Vermeulen: I was after the legal, and I thought your ears when I mentioned that, would prick up, but apparently not. So, the legal definition of foreign ownership, which is contained in here, and does that apply to companies that are owned by foreign nationals? Is it just people that are non-resident on Guernsey? So, I would like that legal definition.

2375

I know Deputy Matthews, this is one of his keen subjects, which he does raise from time to time. But is this not exactly what the cadastre and the TRP is already doing? Is it not just another duplication, but with a different name? Are we not just giving it a retitle? That will be for Deputy Matthews.

2380

But could I ask you for that legal definition, or HMP?

The Bailiff: Well, it will not come from me. I will ask His Majesty's Procureur whether you are able to help with that, or does it rather depend on where we end up to after the investigation of foreign ownership?

2385

The Procureur: Thank you, madam.

You are absolutely right. It will depend entirely on the results of the investigation. At the moment, it could be a number of things. It could depend on your domicile, your tax status. It could depend exactly where the property is. There are so many factors that would need to be thought about. Ultimately, once the investigation is concluded, if that is approved, then there will need to be an assessment of how that can be interpreted and drafted in such a way that it forms legislation which is ultimately enforceable.

2390

Deputy Vermeulen: Which brings me back to unintended consequences. I am aware that there is a significant amount of investment on the Island by foreign nationals, and companies owned by foreign nationals, and I welcome it. I truly do. But I would hate to see them penalised by, okay, it is open season on foreign nationals, here we go, and I would hate to see them not being welcomed in Guernsey and not being encouraged to invest.

2395

Of course, that is bringing a lot of money into the economy through the circular route, you can look at hotels being renovated, you can look at construction down by the Douvres Hotel, just a bit further down, there is another huge construction going on, a multi-million-pound project. I welcome that because it is providing employment, it is generating wealth. I am really concerned about those that it might deter, unless Deputy Matthews can allay my concerns.

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2405

The Bailiff: Deputy Sloan.

Deputy Sloan: Thank you, ma'am.

It all shows the importance of debate. Deputy Vermeulen's point made me turn over the page and see Proposition part (f), which I had not read. So I was wondering what he was talking about in terms of foreign ownership, but you are absolutely right. That is a concern to me and I do think, in terms of the terms of the investigation, I would have particular issues with that. The restrictions on ownership I do think might have a detrimental effect on the commercial and domestic property markets.

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As to the rest, though, I am not going to probably say this every meeting, but I will probably agree with Deputy Bury that Deputy Leadbeater probably had the telling argument on this one, and

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would have been minded to vote in favour of it until such time as Deputy Vermeulen pointed out that point about foreign ownership. My apologies, but it goes to the value of debate.

Thank you.

2420

The Bailiff: Nobody else wishes to speak on this amendment. I will ask Deputy de Sausmarez to respond on behalf of P&R.

Deputy de Sausmarez: Thank you, madam.

2425

Yes, P&R reached a very similar position to Deputies Leadbeater and Bury on this because initially we did think, oh, well, it has been looked at before and, yes, it has come up in debate a lot and there are all these complications that should be aired in debate. But we thought, no, it is probably worth just getting it all out there, to the point most aptly raised by Deputies Vermeulen and Sloan, I would refer back to Deputy Bury's point that what is being asked for, what is being directed through this amendment is in fact an investigation and consideration of these things should be given. So, if there is anything in that respect, the report would air those concerns in due course.

2430

So, yes, I cannot remember if there is anything else. There are various things. Fundamentally, it is a principle that is certainly worth exploring. It is not without its complexity, but that probably is why it merits fuller consideration rather than debates brought on the back of amendments. My only comment, and it is a real shame he is not in the Assembly to hear this, is I could not concur more with Deputy Leadbeater saying the best way to stop this recurring nightmare is to vote for it, and I hope he remembers that when it comes to substantive Propositions.

2435

Thank you.

2440

The Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, madam.

2445

I will attempt to respond to the fairly brief debate. Firstly, to Deputy Laine about foreign ownership, and also Deputy Vermeulen made the same or similar points about foreign ownership. It asks to look at what sort of premium might you place on properties which are in foreign ownership, and how you would define that is something to be defined, something to be agreed. I do not know whether we would include Alderney perhaps as foreigners and Sark people as foreigners or they would just be Guernsey, but however you define what something is, whether you are a local taxpayer or not.

2450

There is a genuine issue and there is a genuine concern about properties now that are in foreign ownership. Because what happens is, when properties are not owned by local people or local companies, those property gains will all be disappearing off Island. I have heard lots of times people express concerns that properties are bought now by – I will give way to Deputy Vermeulen.

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The Bailiff: Deputy Vermeulen.

2460

Deputy Vermeulen: From my 65 years of experience of living on the Island, I cannot agree with that last sentiment. Throughout the Island there is investment by foreign nationals which has benefited the Island. You look at King's, you look down at Boatworks, you can look anywhere, you look at Moulin Huet Pits in that area, significant investment.

Unfortunately, as I said, unintended consequence of this, in my opinion, would deter that. Even the thought that you are looking into it, that is what kicked off the open market rebellion we had when somebody said, 'Ah-ha, we are looking into that', that was it.

2465

So, no, I appreciate you answering that, but I disagree wholeheartedly with that point you are making. It is a good thing for the Island and we should support it.

The Bailiff: Deputy Matthews.

Deputy Matthews: I thank Deputy Vermeulen for stating his view.

As I said, it calls for looking at a premium rate, how much that premium is or whether you would apply it or what P&R would do is entirely up to the P&R of the day. So whether you made it a bit more or made it equal would be entirely up to Budget Propositions which would specify that.

There are certainly some jurisdictions around the world who have noted that they have had really significant problems with foreign buyers buying up properties and have decided to make very high premium rates for that reason. It would be worth looking into, to what extent that would be useful, beneficial or not, in Guernsey.

So, Deputy Kazantseva-Miller, I feel like the messenger being shot again about the difficulties with producing valuations and how difficult that is. It is the recommended method by the OECD. So, I am quite happy to put Deputy Kazantseva-Miller in touch with the extensive OECD reporting that talks about why you should base your property taxation policy on capital asset value and how you should go about doing that and the, many dozens, if not hundreds, of jurisdictions that do that successfully. So, the idea that it is difficult to do, I understand that there are sometimes some difficulties implementing taxes, but I really do not think that that is a valid argument when it is successfully in operation in most of the world's jurisdictions. It just seems a bit silly, really, to just say, 'Oh, that would be quite complicated to do valuations'. Of course it is, but other countries do manage to do that successfully. I just do not accept that that is a valid argument at all.

That applies very similarly, Deputy Helyar said that it would be difficult because you would have legal challenge to valuations and those are difficulties and there are solutions to them. That is how they resolve these issues. I am sure there are many different ways of doing it. I will just list a few countries, in the United States, Canada, Denmark, Ireland, Uruguay, Singapore, the Dominican Republic, Belize, Singapore, Antigua and Barbados. There are lots and lots and lots of countries that have property taxes based on their valuations and are able to resolve them successfully.

So, it just remains for me to thank those Members who spoke – Deputies Leadbeater, Camp, Bury and de Sausmarez – who may be supporting it on the basis that it will. It is obvious to me, and I hope it is obvious to many Members, that it is an avenue that we really ought to be looking at if we are serious about wanting to be able to say that we are going to look at ways to diversify our tax base. This encapsulates some of the issues that Deputy Goy was aiming at with some of his amendments in a framework that has been very well thought through in terms of how it could be achieved. So, I urge Members to support this amendment for those reasons.

Thank you, ma'am.

The Bailiff: Thank you, Deputy Matthews.

States' Greffier, would you kindly open the voting on Amendment 43, which is on Members' SEV now?

There was a recorded vote.

Carried – Pour 29, Contre 7, Ne vote pas 2, Did not vote 2, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Dorrity, David	Hill, Edward	Curgenvin, Rob	None
Burford, Yvonne	Helyar, Mark	Snowdon, Alexander	Montague, Paul	
Bury, Tina	Kay-Mouat, Bruno			
Cameron, Andy	Kazantseva-Miller, Sasha			
Camp, Haley	McKenna, Liam			
Collins, Garry	Sloan, Andy			
de Sausmarez, Lindsay	Vermeulen, Simon			
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Humphreys, Rhona				

Inder, Neil
Laine, Marc
Le Brun, Ross
Leadbeater, Marc
Malik, Munazza
Matthews, Aidan
Niles, Andrew
Oswald, George
Ozanne, Jayne
Parkinson, Charles
Rochester, Sally
Rylatt, Tom
St Pier, Gavin
Strachan, Jennifer
Van Katwyk, Lee
Williams, Steve

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The Bailiff: In relation to Amendment 43 there voted: pour 29, contre 7, and there were 2 abstentions and 2 Members were not in the Chamber at the time of the voting. I therefore declare that the amendment has passed.

[Amendment 9:](#)

'To insert a new Proposition as follows:

"To direct the Policy & Resources Committee to take all such steps as are necessary including, for the avoidance of doubt, consultation with the Lord Chancellor, the Ministry of Justice, the Government of Jersey and the Isle of Man Government, to ensure that the States are provided with the opportunity to approve the repeal of the income tax exemption contained in section 1 of The Office of Lieutenant-Governor of Guernsey (Salary and Official Expenses) Law, 1972 with effect from the commencement of the term of appointment of the next holder of the Office of Lieutenant-Governor."

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The Bailiff: We will now move on to Amendment 9. Deputy St Pier, do you wish the States' Greffier to read out the amendment?

Deputy St Pier: No, thank you, madam.

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The effect of this amendment, madam, will be to repeal the Income Tax exemption on His Excellency's official emoluments with effect from the beginning of the next officeholder's term of office.

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I would like to thank Deputy Bury for seconding. I would like to thank Policy & Resources for their indicated neutrality. I would like to thank His Majesty's Procureur for her advice, which is that it is important to recognise the political neutrality of the office. So, in opening this debate, then I must emphasise that I, like all Members, I am sure, respect the political neutrality of the office.

2530

However, given that there is a statutory exemption, which was granted by the States of Deliberation in 1972 as a result of a public debate by our forefathers, its ongoing existence is therefore a legitimate matter of debate by the States of Deliberation 54 years later, without impugning the political neutrality of the office.

The Proposition does go beyond the original, I am sure, madam, you will agree.

The Bailiff: Yes, I do.

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Deputy St Pier: I would, however, counsel the States against voting not to debate because, in the absence of a substantive vote, the matter will come back to the States in due course. So, however Members may wish to guillotine the debate and go straight to a substantive vote in order to mitigate the risks identified by His Majesty's Procureur.

2540 The history of this, madam, is that by custom and practice, the emoluments have been exempted, and for exactly how far along that stretches back and for what reason appears to be lost in time. But the decision was taken in 1972 to put it on a statutory footing, presumably because the Crown is exempt from taxing itself and therefore it makes sense that the Crown's representative on a similar basis should be so exempt.

2545 However, with effect from 6th April 1993, 33 years ago, the Crown has voluntarily paid Income Tax and Capital Gains Tax in the United Kingdom. Following His Majesty's accession in 2022, a memorandum of understanding on royal taxation was executed on 18th July 2023. This includes provision that Income Tax is paid on private income in accordance with ordinary tax rules. That follows a similar memorandum of understanding given by Her Late Majesty.

2550 In light of these developments in the United Kingdom, the logic or principle that the Crown's representative in the Bailiwick should continue to be exempt from Income Tax is, I submit, not sustainable. So, although it goes beyond the Propositions in the context of a debate on and a policy letter on tax reform, I suggest, madam, that the States of Deliberation cannot, in good conscience, ask the general population of the Island to contribute more taxation while continuing to exempt from taxation the official emoluments of the Island's most senior tax resident, Crown servant.

2555 Now, it is not possible to calculate the exact change in revenues. This will depend, among other things, on any adjustment needed to ensure that the net package remains competitive and attractive and the personal circumstances of the officeholder, including other income, which would then be subject to allowances and potentially the withdrawal of allowances and so on.

2560 The argument has been presented before that there is no point in this because it would simply be necessary to increase the emoluments by the amount of tax that would be foregone. But that, I suggest, has no logic because, by that logic, you would not tax any public servant on the basis that, ultimately, it is coming back to the States, so you simply have to increase the gross sum to compensate for that.

2565 His Excellency's emoluments are based on a percentage of the Bailiff, but, of course, the Bailiffs are subject to tax and, therefore, the net sum received by His Excellency is higher as a result.

So, for those reasons, madam, I do hope that Members will move swiftly to a vote to approve this simple removal of the exemption.

2570 **The Bailiff:** Is that formally seconded by you, Deputy Bury.

Deputy Bury: Yes, ma'am.

Deputy Ozanne: Point of order. 24(6), ma'am, on the basis that that is –

2575 **The Bailiff:** You do not need to explain why.

Deputy Ozanne: Well, we have done it on the others.

2580 **The Bailiff:** 24(6), as I have already indicated to Deputy St Pier, I do consider, and I think he accepts, it goes beyond the original Proposition. So, in those circumstances, it is appropriate to put a motion to the Chamber on the request of Deputy Ozanne that, as the amendment goes beyond the original Proposition, that the amendment not be debated and no vote be taken on it. Yes.

2585 **Deputy Helyar:** May I request an electronic vote?

The Bailiff: You may, indeed, Deputy Helyar.

So, we are going to go straight to SEV. Members, you should now have on your screens the motion under 24(6) in relation to Amendment 9.

States' Greffier, would you open the voting on this, please?

There was a recorded vote.

Not carried – Pour 14, Contre 21, Ne vote pas 2, Did not vote 3, Absent 0

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

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The Bailiff: The vote is in relation to the motion: pour 14, contre 21, and there were 2 abstentions, 3 Members were not in the Chamber at the time of the vote, and therefore, the 24(6) motion has been unsuccessful.

Yes, Deputy Falla.

2600

Deputy Falla: 26(1), please, ma'am.

The Bailiff: Deputy Falla has sought a motion under the guillotine rule, 26(1). Those who wish to speak in debate, could they stand in their places?

2605

Do you wish me to put the motion to the Chamber?

Deputy Falla: Yes, please.

The Bailiff: Members, those who support the motion that the debate on Amendment 9 should be guillotined, please say pour; those against.

2610

Members voted Pour.

The Bailiff: I am not sure who or if anybody is proposing to respond on behalf of P&R.

2615

Deputy Burford: Yes, madam.

For reasons stated, I will keep this brief. The only thing I wanted to say is that there could be a somewhat tight timescale on this for the process that is needed to be gone through, and that is all I need to say.

2620

Thank you.

The Bailiff: Deputy St Pier, do you have anything to say in response?

2625 **Deputy St Pier:** I have nothing to respond to the debate, madam, as short as it has been, and look forward to Members' support.

The Bailiff: Members, you now have Amendment 9 on the SEV. States' Greffier, would you open the voting upon this amendment?

2630 *There was a recorded vote.*

Carried – Pour 18, Contre 12, Ne vote pas 6, Did not vote 4, Absent 0

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

2635 **The Bailiff:** There voted in relation to Amendment 9: pour 18, contre 12, and there were 6 abstentions, 4 Members were no longer in the Chamber at the time of the vote. I therefore declare that the amendment has passed.

2640 Members, we have now reached the lunch break. Although we had planned to return at two o'clock, I have been requested by the States' Greffier to extend this to 2.15 in order that a consolidated version, subject to what happens on Amendment 59, which is the only outstanding amendment, of the matters upon which you will be asked to debate and vote upon can be prepared in anticipation of the debate and subsequent vote. So, in that case, we will return at 2.15. Please be prompt. Thank you very much.

*The Assembly adjourned at 1.01 p.m.
and resumed its sitting at 2.23 p.m.*

Tax Reform 2026 – Debate continued

2645 **The Bailiff:** Members, there are going to be shortly with you a draft composite Proposition, but you are also going to receive it on SEV, so you can see the behemoth that we have ended up with where the amendments have come from. But that will be with you shortly.

2650 I will now turn to Deputy Sloan, who will first deal with the motion under article 7 to suspend the Rules in order to lead to the debate on the amendment. Deputy Sloan, in accordance with the variation to the Rules in relation to length of speeches, in relation to this motion, I am going to use my discretion under Rule 17 such that the five minutes apply – the five and seven and a half minutes apply to this motion in addition to if we get to the amendment itself, because at the moment there

is an argument that it does not apply to your first part, which is your motion to suspend the Rules.
2655 You probably presumed it did, but I am confirming it.

Deputy Sloan: So I get to speak on the motion to suspend the Rules?

The Bailiff: Yes, you need to propose that the Rules are suspended, but you are limited to five
2660 minutes.

Deputy Sloan: Okay, my apologies, ma'am, I just thought it was procedural, it just went straight
to the motion.

The Bailiff: No, you do get to say –

Deputy Sloan: Yes, I will keep to less than five minutes, clearly then, because I have nothing
prepared, not even a thought.

Other than, it is an amendment that has arisen from this debate, and therefore I do believe it is
2670 apposite to discuss this amendment now. It relates to fiscal policy. We are reviewing fiscal policy.
The amendment relates to that ongoing fiscal policy. Given, I would hope it would be a relatively
uncontentious amendment and short proposal, the length of speeches would be short. It is entirely
appropriate, I believe, for us to debate that amendment now. It is not a filibustering amendment; it
has arisen deliberately as a result of debate. We were all here yesterday afternoon when we all
2675 watched the gestation of it. Therefore, madam, I request the Assembly to suspend the Rules and
allow myself and Deputy Camp to lay the amendment.

Thank you ever so much.

The Bailiff: Deputy Camp, do you second this motion?

Deputy Camp: I do, thank you.

The Bailiff: Thank you.

Does anybody else wish to speak in relation just to the motion to suspend the Rules, not in
2685 relation to the amendment itself?

Deputy Vermeulen: I am intrigued and full of suspense and, yes, I am probably supportive of
this.

The Bailiff: Yes, Deputy St Pier.

Deputy St Pier: On the motion, madam, I cannot support the motion. It is a matter which there
is not a good reason why, given the 10-week delay since July, that this could not have been
presented in good time.

2695 Also, as the President of SACC has indicated, there is a policy letter coming up which will be
more focused on the Rules that will provide an opportunity for this to be properly considered as
part of the whole, and indeed there may be other consequential amendments we need to take into
account.

2700 So, for those reasons, I suggest we move straight on to debate. I will not vote to suspend the
Rules.

The Bailiff: If nobody else wishes to speak in relation to this, I just give Deputy Sloan the
opportunity to respond if he wishes to.

Deputy Sloan: Thank you very much, madam.

In response to the one contribution to the debate, one would like to see the application of Rules equally applied. I appreciate where Deputy St Pier is coming from, but it does really feel like one rule for a certain cross-representation of elected Deputies and one rule for the others.

I was quite surprised at what happened just before lunch. I thought that ought to be put to a proper debate. But clearly, I did not anticipate what happened. This is genuinely appropriate to discuss it now. It has genuinely arisen as a result of the debate. If we, as a Chamber, cannot, where we are debating, develop ideas and lodge them during that debate, then I must admit it is pretty pointless us being here at all. There is no point in debating anything. We might as well move straight to the vote on the rest of it. There is no point in having a substantive debate if that is the approach certain Members are going to take to this debate, which, frankly, is the approach they seem to have taken all week.

The Bailiff: Thank you, Deputy Sloan.

States' Greffier, would you put the motion on SEV, please? Members, you have before you on the SEV the motion to suspend the Rules. That is in order to allow debate on what is now Amendment 59, proposed by Deputy Sloan and seconded by Deputy Camp. States' Greffier, would you open the voting on the motion?

There was a recorded vote.

Not carried – Pour 17, Contre 17, Ne vote pas 2, Did not vote 4, Absent 0

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

The Bailiff: In relation to the motion to suspend the Rules there voted: pour 17, contre 17, and there were 2 abstentions and 4 Members were not in the Chamber at the time of the vote. Therefore, the motion is not passed.

Deputy Matthews.

Deputy Matthews: Just a very brief question.

I did wonder about whether a motion to suspend the Rules was required. It was my understanding that the motion to suspend the Rules was required in cases where there was a financial implication and, if not, that the amendment could be laid immediately.

The Bailiff: The motion was required, Deputy Matthews. It was considered beforehand and with the assistance of the Law Officers. That is the basis upon which the amendment was drafted.

The Bailiff: Therefore, ladies and gentlemen, we are now going to start on general debate. I am just going to turn my file back to July. Who wishes to speak first in general debate on the Tax Reform?

2745 Deputy Rochester.

Deputy Rochester: Madam Presiding Officer, I have no doubt that this tax package will unfortunately hurt the financial wellbeing of some in our community. (**Several Members:** Hear, hear.) I have no doubt it will lead to some local businesses closing their doors. (**Several Members:** Hear, hear.) I have no doubt that the mitigations will not, in every case, achieve their aims. But I will vote for this package.

I have listened to the people on the steps of the Royal Court in tears, telling me that GST, even with these mitigations, will mean they cannot put food on the table. I have felt the weight of 9,000 signatures, which give voice for very good reasons to real opposition and genuine concern. I have read every one of the many emails from people who took time out of their busy lives to write impassioned, factual, clear, and nearly all against this package. And still, I will vote for this package, because the need for long-term financial security and the need for continued delivery of critical services for our whole community outweigh those negative impacts.

No tax package can ever be perfect. No tax package can ever please every stakeholder. But this tax package is progressive. It creates resilience and it fundamentally provides greater financial security, which will enable us to continue to provide critical public services to our community in the long term.

I am grateful to my colleagues for the energy and diligence they have brought to the debate. I am grateful for them bringing amendments that sharpen our focus on efficiency, on savings, and on the detail of this package. That level of scrutiny is appropriate and critical in reaching the best decision. The debate has proved invaluable guidance and insight. The debate, though, must lead to a decision. I now ask myself whether the proposed package upholds the principles of resilience, financial security, and progressiveness. On that test, I believe it is the only credible and viable solution.

So let me, as I did in respect to this issue in my campaign, set out the reasons that compel me to take this incredibly hard position. I hope what I say next will not send the Assembly and anybody listening on the live stream into a spiral of doom. I hope I am wrong, but my long-term viewpoint may not make for easy listening. Almost any time but now would have been a better time to implement this package. (**A Member:** Hear, hear.)

Introducing an inflationary tax in the middle of a very real and all-too-painful cost-of-living crisis holds no appeal to me. But let me be clear, I do not believe the pressures will ease during this term. I believe they will grow. I see declining physical health across Western economies. I see an explosion of mental health needs. I see our children needing more support, so education costs rise even as birth rate falls. I see the rising cost of cleaning up past pollution to protect our communities' current and future wellbeing. I see the need to invest in infrastructure, resilient to climate change, air conditioning in hospitals and schools, flood defences, energy efficiency to cut the cost of living for everyone. All of that comes before demographic change that our Island faces and we all recognise.

These challenges are felt just as keenly in our Island as anywhere else. Saving 1% will not meet them alone, nor will a 3% GST, nor will Civil Service reform, nor the delivery of the sustainable healthcare workstream or innovative approaches to Government finances. To meet these challenges will take all of these fundamental shifts and more. Simply put, we can and must do more to support those that will be impacted by the implementation of the package, if needed, as its effects are felt. But I do not think there is a viable alternative to GST in broadening the tax base and creating future financial resilience we need.

So, Madam Presiding Officer, I ask my colleagues to lift their heads, look at the horizon and bravely face the reality of our community's future and join me in making that incredibly difficult decision to approve this tax reform package.

It is a difficult choice, but it is a choice that secures our financial sustainability and will give us the best chance to support our community, even as those headwinds I have talked about blow harder. Ours is a community of resilience, of ability and of kindness, and I have no doubt that together we can move forward successfully and invest in the increasing services and support that our communities need now and in the future.

Several Members: Hear, hear.

The Bailiff: Who wishes to speak next in debate?

Deputy Gollop.

Deputy Gollop: I did not expect to go so soon, but maybe people are holding back for effect.

I can associate myself quite a lot, if not virtually entirely, with much of what Deputy Rochester has said. She, apart from her professional background, is well aware of the challenges facing, not just Committees like Environment, but of Health.

Now, I think I was a bit mean earlier to the Health & Social Care Committee in one of my emails late at night, in that I was a little truculent about the media announcement that the hospital had been postponed. But I reflected and thought the reality is, if I had been on a Committee in that situation, and one is from time to time, I would have made the same decision because the cost escalation of services and projects is there.

One of our most loved Deputies immediately responded to me and said the States could not afford people like me who wanted to spend on everything because such a project, if it came to fruition, would maybe involve 80 more staff. But I recall the advice we had. The reason I mention that specifically is we may not be proceeding any time soon with all of the hospital modernisation, but it will have to happen. Some of us have been a little bit ironically bemused by what we have seen as a difficult political situation on another Island. But the reality is the costs of projects and the costs of infrastructure and the demographic challenges Deputy Parkinson outlined, and many other areas, mean that we are not going to need a significantly smaller budget any time soon.

There will come a time, unless we have a radical change in the way we do things, that we will need, as a States, in one way or another, to finance new schools, new infrastructure, the energy project, and particularly the hospital. By the 2030s, that project might be £400 million or £500 million with the project. Hopefully it will not be. But that makes the point that, even with the excellent news that we may have, in the short to medium term, additional resources from Pillar Two, that we cannot afford not to go for an integrated tax package.

I think I have been pretty consistent in saying my goal is to raise more money for the States rather than mitigation, although mitigation on balance is a good thing if it can be afforded. And I think I have been consistent in supporting many of the amendments, putting one or two myself even, looking at financial alternatives. Most of those did not make it. I was pleased the rates one did, but that report will not come back for 18 months and will not be implemented any time soon.

I think we have gone through every conceivable option, from significant restraint to extra taxation to visitor taxation, and we are not going to come up with the numbers. So we are going to have to make a hard decision and I want to see more universal services. I want some services to be means-tested. We could really make progress as a society if we do not focus entirely on cost cutting. Yes, savings are vital, efficiencies are vital, and I do sympathise with some of the more conservative Members of the Chamber who do think we have a culture of overspend and exaggerated projects.

But we still need the reserves to continue our work and sustain ourselves. If we are going to spend the rest of this term worrying about pennies and pounds, without having a clear vision of the future of the kind of investment Deputy Niles and others have said in this Chamber and outside this Chamber, then we are all going to be worse off.

So, although I will listen carefully to the debate and receive everything, I think you know that at the end of the day, given the failure of the amendments and sursis, I am likely to vote for the whole package.

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The Bailiff: Who else wishes to speak in general debate?
Deputy Sloan.

Deputy Sloan: Thank you, madam.

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I would like to start with a couple of admissions. First, I owe the Assembly an apology because, back in February, I recall telling Members that they had one last chance to vote against GST. I was wrong because I had naively assumed that, given how many Members were told by the electorate they opposed GST in the election last year, they wanted to vote against it. Clearly, our position to GST was rather one more widespread on the campaign trail than it is in this Chamber. So I apologise if I inadvertently misled the Assembly.

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My second admission may sound equally odd from somebody intending to vote against GST today. I thought GST was the right answer when it was first proposed in 2014. I did not have a vote, but I do not think it is the right answer in 2026. There is no contradiction in that. Good economic policy responds to circumstances. In 2014, there was a coherent case for broadening our tax base and shifting some of the burden from income towards consumption. The economic case was for a broad, low-based, low-rate consumption tax. But we did not do it.

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Twelve years have passed. Public expenditure has risen substantially. The size and scope of Government have expanded. Then came the inflationary shock of the 2020s. For most of this decade, households have endured a sustained cost-of-living crisis. Food, energy, housing, and everyday necessities have all become substantially more expensive. Now we propose another permanent increase in the cost of consumption. Whatever the staging, we are voting for a tax that its destination is 5%.

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I find the timing extraordinary. The GST before us is not even the clean, broad-based tax I could have supported in 2014. We have narrowed the base and constructed an expensive architecture of mitigation around it. The cost of mitigation and the increase in expenditure is something I cannot stomach. We tax essential consumption, recognise it hurts some households, create payments to compensate them, pay to administer those payments, and then talk about the gross revenue raised by the tax. Welfare should address need. It should not be required to repair the damage of the design of the tax system.

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Please, let us stop pretending that everyone in the higher-earning 50% is rich. Many are ordinary working households with mortgages, children, electricity bills, insurance, and food bills. They have lived through the exact same cost-of-living crisis as everybody else. They may earn too much to qualify for mitigation, but nowhere enough to feel wealthy. So when we are told that people are protected by this package, I ask, protected by whom? Because mitigation is not free. Somebody else pays for it.

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My fundamental objection is simple. We keep talking as though Guernsey has a revenue problem. But I believe Guernsey has an expenditure problem. If expenditure continually rises faster than the economy supporting it, raising additional revenue does not solve the problem. It just prolongs it.

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It is the 50th anniversary this year – I thank you very much for the person who brought it to my attention – the Jim Callaghan speech, purportedly to the IMF, but it was at a Labour Party conference, when he admitted that wealth must be first created before it can be taxed. But, madam, none of this matters because this week has been a charade. As we said in the Scrutiny hearing back in July, this whole package is about GST at any cost. And it was exposed as such before this week's debate even began.

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Pillar Two revenues, as we heard on Wednesday, once expected to be relatively modest, are now being discussed at £75 million to £93 million a year, and the answer is still GST. If an extra £50 million does not change the prescription, what would?

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Which brings me to Deputy Parkinson. Deputy Parkinson went to the electorate as the architect of the fair tax campaign. He argued that companies should pay a fair share before imposing new taxes on residents. He argued that Pillar Two revenues were being substantially underestimated and

might transform our fiscal position, and that GST would not be needed. And do you know what, madam? He was right. He was absolutely right. Not slightly right, he was spectacularly right. Revenues have risen to the levels he predicted. Now that he has been proved right, he has changed his mind.

Normally politicians change their position because events prove their original position spectacularly wrong. But, no, Deputy Parkinson has achieved the considerably rarer feat of changing his position after events proved his original argument right. If £93 million is merely breathing room, I would genuinely like to know what additional revenue would make him reconsider GST. Perhaps no amount would. Perhaps no matter how much revenue Government receives, the answer will always be more tax.

Madam, GST might have been the right answer in 2014. It is not the right answer in 2026. After a decade of rising real terms expenditure, after a sustained cost-of-living crisis with a stagnant economy, and before Government has demonstrated it can control expenditure. This is not the beginning of a higher tax, higher spending model. We have been moving in that direction for years. GST just puts our foot on the accelerator.

The Bailiff: Deputy Sloan, can you finish now, please?

Deputy Sloan: Sorry, ma'am, I –

The Bailiff: You have had your five minutes.
Deputy Vermeulen.

Deputy Vermeulen: Thank you, ma'am.

No surprise, I will not be supporting the GST Proposition, and for the following reasons, really. We have no idea of the size of the black hole that was quoted at £50 million, or even if one exists. Deputy Sloan has just pointed out, for the last three years we are due £263 million from Pillar Two taxes. We have still got 106,000 tax forms outstanding at the Income Tax office and it is going to take two years to clear that.

Now, why on earth you would invent, at this time of high inflation, high fuel costs, war in Ukraine, war in Iran, shortage of diesel, diesel going up to £2.20 in the UK, you would introduce a GST and visit that misery on our Island public is beyond me. It is completely the wrong timing. If we look to a little Island just over there, 29 miles away, they have GST, but they also have £100 million deficit every year. To combat that, do you know what they have done? Well, you do, because I have told you before about this. They have not performed cuts per se, but they have introduced a hiring freeze.

Now, we need more resources in the States, here, there and everywhere, but perhaps we do not need extra staff. They reckon they could have saved around £40 million to £50 million by just doing that. I am all for efficiencies and that is what is needed, strong leadership from P&R. We need to be honest about things. I do not think we need to misrepresent the retail group and say, 'Well, they want GST'. The whole retail group are completely against GST. They think it is the biggest evil out there, so they do not want its introduction. It is going to close businesses, people will lose their jobs, there will be redundancies and businesses will just shut up.

This is not idle fear-mongering. This is the reality. This is what happened in Jersey in similar times to what we have now. A GST at 5%, well, really, you should be totally ashamed of yourselves for even suggesting that. I was dead against 3% anyway and I would not support it, but at 5%, well, I am fearsome for your reputations, whoever invented that one.

Now, GST is inflationary and it is regressive, particularly towards growth. I will give way to Deputy Curgenven quickly.

The Bailiff: Deputy Curgenven.

Deputy Curgenvven: Thank you, ma'am, and I thank Deputy Vermeulen for giving way.

2950 Just on your point about Jersey, Deputy Vermeulen, I did not know whether you would read a recent article that I just quote from regarding Jersey:

A long-term plan to rebuild Jersey's Strategic Reserve through potential spending cuts and revenue-raising measures should be introduced by January 2029, a backbench politician has argued.

Thank you, ma'am.

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The Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Well, there you go. It is not too difficult for Jersey, and it should not be too difficult for us.

2960 What people want out there, they want us to get what Deputy Leadbeater was trying to get and very narrowly missed, 19 votes. They want us to get our house in order. They want us to sort out Income Tax. They do not want GST. They want to sort out the 106,000 outstanding forms there. They want that sorted. The Income Tax Department used to run really smoothly. It was the one thing you were guaranteed, well, besides death, it was the second thing you were guaranteed in Guernsey was your Income Tax would be there on the door, and it was one side, you could fill it in and off you go. We have overcomplicated it.

2965 We do not have, I have learnt, a strategy for growth in the economy. That, to me, is unforgivable; absolutely unforgivable. I mentioned this yesterday, I think it was, it should be at the centre of Government, front and foremost, but it is not. We do not even have one, and I did ask when I was on Economic Development last term, 'Where is that strategy? Why have we not got a Government strategy for growth?' It does not need to be pages and pages and pages. We can write it down on one side of A4. Just the priorities, so that is where we should be going.

2970 To finish off with, even though it is tough on those households which I have spoken to out there, and they are really struggling –

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The Bailiff: Thirty seconds, Deputy Vermeulen.

Deputy Vermeulen: – by far and away the more fairer alternative those people would like would be to see an increase in Income Tax if it was really needed. But if you do those other things, and with the windfall tax, you do not have a black hole. You do not even need it.

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The Bailiff: Deputy Van Katwyk.

Deputy Van Katwyk: Thank you, ma'am.

2985 As a good Guern, I know exactly what it means to overturn every stone. Those of you who have been ormering will have watched as a fisherman goes through a patch of stones. You might think he has turned over most of them, but then you go and you turn over and you do it with a different perspective. You move a piece of seaweed and you find an ormer the size of two fists. You take it home to your family and you are a hero.

2990 What has not happened here in this debate is what was promised; every stone being unturned before GST is delivered. There are fresh ideas, fresh perspectives, wanting to go over the same patch of stones that could have well saved us from GST. But here we are without every stone unturned and faced with GST.

2995 Now, my good friend and colleague, Deputy Sally Rochester, who I very much respect, said this is not the best time to be introducing this tax. It really is not. Lots of you here have had good business experience. Some of you, we are frequently reminded, sit on lots of boards of very important companies. So I would like you to reflect for a minute. If Guernsey was your business, if your savings were running low, if the billing department was in disarray, if there was a global

socioeconomic turmoil, cost-of-living crisis, if your projects were running over budget, over time, if you had stagnant business development and a technology revolution on the horizon, would you be asking your customers to pay more at this time to fix all of those problems? (**A Member:** No.) No, you would not. Any good business person will tell you no.

What you would do, especially if you were given the reprieve of a big Income Tax repayment, if you were given extra time, what you would do, you would say, 'Stop, let us pause for a minute. Let us not implement a £10 million new tax and squeeze our middle and our biggest earners, our biggest income earners more'. It is just not business sense.

I know this is not a business. I know that we have many more considerations, but it just feels banal. The idea of GST has nothing to it anymore. It is not the time and the place. I have huge respect also for Deputy Sloan, who is also a doctor in economics. He is a doctor in economics. He stood here telling us this is not the right thing to do. So what are we doing?

I am going to finish with one line from Doctor and Deputy Sloan, 'Good economic policy responds to circumstance'. Please respond.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Thank you, ma'am.

I obviously hope that the Assembly will support the tax package when we come to the final votes today. It will help to stabilise our fiscal balance and provide us with the foundation to move forward. Our next step in that journey will be in front of Members next week when I will be presenting what I call a budget for growth. I will say no more about that now because I will have plenty to say on it next week.

Attention can now turn to delivering the priorities of the Government Work Plan, the priorities we have set ourselves. From the strength of a secure foundation, which I hope we are going to lay this afternoon, we will be able to build upwards.

Now, Deputy Sloan has reminded us that, at the last election, I stood on a manifesto of lightening the load on the resident population and getting the corporate sector to pay its fair share. I think I am doing that. This fiscal plan is a step along that road. The economic effect of the tax proposals in the fiscal policy are that the net amount that will be taken out of the economy by the States will be borne 80% by companies, employers and tourists. Only 20%, as I said earlier in this debate, will be borne by resident individuals, and that 20% will be skewed heavily towards the upper-earning quartile of the population.

The updated figures from Pillar Two, which of course are great news for us, and I am struggling to avoid saying, 'I told you so', but they indicate also how much the balance has shifted already. When I talked about moving the burden from the resident population on to the corporate sector, these are really significant changes. We have heard that the baseline forecast for Pillar Two revenue now is £93 million a year.

I have to say to our friends from Alderney, who do not appear to be with us anymore, that this £93 million does not include any significant contribution from the e-gaming companies regulated in Alderney. So if what our representative colleagues were saying is true, that there will be a substantial additional amount coming from the e-gaming companies, or at least one of them, that will be on top of the £93 million. Now, when you consider – I give way to Deputy Sloan.

The Bailiff: Deputy Sloan.

Deputy Sloan: Thank you, Deputy Parkinson.

He did indeed say about the distributional burden and I will agree with him, the distributional burden in terms of companies and individuals is markedly different than what had been previously proposed. But one other comment that Deputy Parkinson said during the election campaign, he said he believed that the Pillar Two revenues could raise enough income to avoid GST Plus.

3050 Now, the additional income from GST Plus is £49 million and the funding gap in 2025 was £50 million. I believe he was also right about that point too.

The Bailiff: Deputy Parkinson.

3055 **Deputy Parkinson:** Well, I have addressed this before, but I will go over it again. I sincerely believe that, after the last election and during it, that we needed a more fundamental reform of our Corporate Tax system to bring within the tax net all companies that are doing business on Guernsey. That was something I fought in the election on and I was privileged after the election to be charged by my colleagues with being the Chair of a Tax Review Sub-Committee of the Policy & Resources Committee. We had a very distinguished group of panellists on that Committee.

3060 We spent six months debating Corporate Tax reform in Guernsey. At the end of it, that Committee, the predominant view was we could only go so far, and there are recommendations that come out of that sub-committee in the tax review programme that you have in front of you, but they said we cannot go further without Jersey and the Isle of Man. Now, I personally am uncomfortable with that conclusion, but nevertheless these are really high-quality, genuine experts, and I cannot sensibly ignore them.

3065 So the upshot is a small amount of additional revenue will come from the corporate sector through those reforms. But when you take that additional amount of revenue, plus the £93 million a year that we are now going to be receiving, plus the –

3070 **The Bailiff:** Twenty seconds, Deputy Parkinson.

Deputy Parkinson: – tax we received under Zero-10, the corporate sector is paying us a heck of a lot more than they were. So I think I am delivering on my manifesto and I hope Members will support this reform package.

3075 **The Bailiff:** Deputy Ozanne.

Deputy Ozanne: Thank you, ma'am.

3080 I know so much has already been said, and in a sense this is an opportunity for many of us to bring together our concerns. I want to start by thanking Deputy Rochester for an excellent opening speech. Although we are on different sides of this debate, she articulates so much of what we feel.

I want to give my apologies to the public who have written in the last few months, who I have not been able to respond to. All of us have had our inboxes inundated with heartfelt pleas and personal stories, often sharing very personal facts about how fearful people are about what we are about to decide today. That fear and, yes, anger is born out of, I believe, not a misunderstanding of the package, although some people, I fear, do not understand the full extent, but more a very real sense that for many this is the last straw for them and that they fear for their future and those of their children.

3090 Many are looking at whether they can afford to carry on living here, working here, and bringing up a family here. It is that risk that I want to focus on. Many will know that at the moment I made the rather mad decision of trying to study law. It is always a bit dangerous as a rookie young lawyer to start bringing up law concepts, but one of the first things you understand is where is the balance of proof and what standard of proof are you having to work to? In the civil law, it is called the balance of probabilities, i.e. is something more likely than not to happen? The balance of probabilities, for me, in this debate, is whether the risk of bringing in GST and all the impact that will have on so many people's lives is worth the risk of us not getting the money that we say that we need.

3100 The question that we have to ask ourselves is whether, on the evidence, it is more likely than not that bringing in GST is the right path. On the evidence. Well, the evidence that I see is that our Pillar Two estimates have continuously been wrong. The evidence that I see is that the behavioural

changes that many of us flagged were not heeded and were wrong. That the budget variances that we have seen constantly over the last, certainly 12 months from where I stand, but for others it may be longer, have been wrong. That a lot of our financial projections have been wrong. That our Revenue Service estimates have been wrong and that we are now well behind in understanding where we should be.

The evidence is that we have had 9,000-plus people write to us, unprecedentedly sharing their concerns, and we have had many business groups telling us that this will impact them. That evidence, for me, is more than more likely; it is overwhelming. To me, it points, as I have constantly said, to a trust gap. Because the truth is, Madam President, the Island does not believe us in our assumptions. They do not trust us in our ability to deliver and they do not think this package is fair.

It is that trust gap that I believe is our biggest risk right now and what I passionately believe we have to address. I know others think I am perhaps fear-mongering, but if we do not name some of the problems we are having to face, we will never be able to deal with it. I am not kidding myself in believing that suddenly everybody is going to start trusting us, but we have to change the trajectory.

The next 10 years, I believe, will see some major security issues for this Island and indeed the Western world. We are going to have to see some major changes in the way that we operate here in Guernsey and that will require trust of the people. Unless we build that trust, I fear for the way that we do business in the next five to 10 years.

So, on the balance of probabilities, I fear that I cannot, in all good conscience, vote for this package. I urge you to think about that trust gap and where the risk lies, and to reject this Proposition at this time, until we have been able to prove to the people that we are truly deserving of their trust.

Thank you.

The Bailiff: Deputy Inder.

Deputy Inder: Thank you, ma'am.

Members, we have come again to another end of what has been a very long debate. I am sure, as we get to the legislation over the rest of the term, that debate will continue. So today is not the end of the day. In fact, it is the start of another day.

Look, Members, I want to make clear that I understand the need for additional revenue. No two ways about that. I have never disputed the fact; I have never disputed the financial challenges faced in this Island or the need to find them. I did for a while. I initially voted against GST in one of the very first rounds of this back in – I cannot even remember where it was – I think it was 2020 or 2021 possibly. Then it came around again and I fully backed the 5% GST because I believed it was a more resilient package, one that had a better chance of addressing the financial challenges we face.

But what I am not prepared to do is vote for what I regard as a half package. There is no emotion in this at all. This is entirely down to numbers. As Members have said, they have heard me say before, you may as well get hung for a sheep as a lamb. If we are going to go through all of this work now – I did not vote for the Future Guernsey party out in the grass sometime, it will be 5% GST, because I believe, which is different to the anti-GST, is that I think today is the day to do the job. It is not to hope we are going to do it in two years' time.

We have heard a great deal during this debate about the savings that need to be delivered. Yet I have little confidence that those savings will materialise. As I have said previously, every time I say exactly that, the big spending Committees are usually sitting around me, nodding in agreement. That is not good, and the savings package is the deal, the compact that we have made with the people of this Island.

I have to refer back again to the adoption of Amendment 4. That reduces the projected net gain from £36 million to £28 million. That is the net effect of the decision that was made by this House. We can see very easily, it is very easy for us to hand out money, but it is very difficult to tell the people of this Island that we need – we are happy to spend. Anyone can spend, but the difficult decisions are really based around telling the Island that we need more money.

3155 We have also heard from Deputy Parkinson that GST may not be introduced until 2029, an election year. Last term some members of P&R, I think Deputy Parkinson was a member of P&R, but who voted against the package, argued that it was not politically deliverable. That was one of the salient reasons that people argued against the 5%, was because it was not politically deliverable.

3160 Now, I would suggest the same question must now be asked of this proposal, given this has been moved out now to 2029. As I said, I recognise the need for revenue, but also believe the responsibility for securing the necessary support for a credible and deliverable package rests firmly with Policy & Resources. I have done my bit. I have genuinely done my bit. It is not my job to win this argument. It is their job to make the case and build the support and win the day.

3165 I also want to acknowledge those Members who came to this Assembly on a clear mandate against GST. That is a perfectly legitimate political position. Nothing wrong with that at all. The success of those Members at the election demonstrates that there is a genuine significant public appetite for that approach, and I am not going to do the list. I respect the mandate that they have been given and the commitment they made to their electorate.

3170 But, equally, being elected just on the opposite position, I have a responsibility to exercise my own judgements. Respecting their mandate does not mean I must endorse a current package that I believe falls short of what the community needs. We simply should have gone further than we have today.

3175 So, madam, I am not going to vote against the package outright. I might be in the neutral position of pleasing no one, because equally I am not prepared to vote in favour of something I do not believe goes far enough. That is not necessarily a rejection of the need to raise revenue. It is a reflection of my view that Guernsey deserves more resilience and a convincing solution than the one currently before us.

Thank you.

The Bailiff: Deputy Niles.

3180 **Deputy Niles:** Thank you, ma'am.

3185 I have a lot of empathy for what Deputy Inder has just said. But I would like to try to convince him to move his position from indecision to one of decision. Madam, every Assembly inherits a position from an Assembly that went before it. The question before us today, stripped of all of its detail, is a simple one. What position do we want to hand on? I know the one that we inherited. It was an inherited position of unfinished business.

3190 I will vote for this package for three reasons. The first is resilience. A single Island economy heavily weighted towards one sector in an uncertain world cannot run on a narrow tax base drawn almost entirely from earned income, especially as the number of earners shrinks. Broadening the base is not a technicality. It is how a small Island protects itself against shocks it cannot predict and cannot borrow its way out of. Because we have no central bank that we can fall back on.

3195 Secondly, reserves. Our reserves are not a luxury or a hoard; they are the buffer that stands between the Island and the next crisis. They are nowhere near where they should be. We have spent years, decades even, living off our savings to avoid a difficult decision. This package begins the work of stopping that drawdown and rebuilding what we will one day have to pass on.

Third, and this is the part that I would like Members to hold on to, it is confidence. This is not an austerity package. It is a package that enables us to invest, build and repair. It enables us to consider our future and not just what is immediately before us, but is also what is over the horizon.

3200 Madam, there is never, ever a good time for tax reform. But the very worst time for tax reform is always tomorrow. For every year that we wait, the gap is wider, the reserves are thinner and the choice is harder. I do not intend to hand on that larger problem to someone that comes after us. I want to build a Guernsey for our children and for their children and after them, an Island that invests, that builds, that does not flinch from the decisions that its future depends upon. I want our young people to look at what we have done here today and then I want them to say to us that that
3205 is the States that has got the confidence to make decisions for us.

Madam, we are told again and again and again that we do not make decisions, that we do not invest, that we do not get things done, that we do not move things on. This package answers that. It moves us from inaction to action, from doubt to confidence, and from fear to hope. Madam, I vote for action and I vote for confidence and I vote for our children.

3210 Thank you.

Several Members: Hear, hear.

The Bailiff: Deputy Humphreys.

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Deputy Humphreys: Thank you, ma'am.

Well, what a few days. I am going to start by saying to those on the steps, those on social media channels, that I am sorry. I am sorry they felt unheard. I am sorry that they think we have changed our promises, and I am sorry you feel some Deputies have let you down. I am equally sorry to those members of the public and businesses who felt they could not shout and scream on the steps or on social media. The ones that were somewhat embarrassed that they support the tax package. The ones that whispered in my ear, literally whispered in my ear, 'Do not forget us, we support you'. Who whispered in my ear, 'Keep going'. The ones that did not feel they had a voice at all.

I am also sorry to my colleagues who found the whole process traumatic, upsetting, concerning, heart-wrenching. I have been there too. After the debate in July, I felt despair. How were we ever going to get this debate done? How were we ever going to be able to deliver tax reform at any stage? And mostly, how were we ever going to be able to move on to other urgent business that is backing up behind this Proposition? I genuinely found myself in a huge dark hole, and it was not a great place.

3225 However, I quote from my manifesto, and feel free to go and check, where I said that I was not afraid to make big, bold, brave decisions for the good of Guernsey. I consider this decision to be one of those. With respect to my fellow Deputies, it was really quite easy to be a hero on those steps and on social media; it is much harder to stand in opposition.

3235 Anyhow, we started this session with a windfall, which came as welcome news. But windfall or no windfall, we still need a tax system that generates enough money to fund operational expenses and capital expenses on an ongoing basis. It is in light of this that I consider that the tax package as a whole is, on balance, good for Guernsey and its residents. We need to move forward. We need to continue to provide services. We need to undertake repairs, build buildings.

I have only been in this role for 15 months, and I am already fed up with hearing, 'We could do that, but there is no money'. This is not about buttressing the Civil Service, adding staff to the centre, increasing cost for cost's sake. It is about services, supporting our community and growing the services needed.

3240 I acknowledge the concern and even fear around GST. I genuinely do. I have had my friends talking to me about it at dinner parties. But this is not a vote for or against GST. I said that back in July when a referendum was proposed on that very question. We are debating and voting on a whole tax package. I believe in the mitigation provisions. I believe that they will protect low and middle-income earners, not because I am a sheep, far from it, but because I have worked through and researched the Propositions.

3245 I have worked with my Forward Guernsey colleagues, that is what it is all about, to bring a successful amendment. I hope that this stands in the final vote. The provisions within that protect future mitigations, preserve the 15% base rate of tax and caps GST into the future, alongside provisions to support families, help people to save, and enter the housing market. All of which are particularly close to my heart.

3250 I do not know where this vote will ultimately land. None of us do at this point. But any actions I have taken to move debate on have genuinely been based in getting us to the point of the final debate and final vote. And here we are. We owe the people of Guernsey a decision. We cannot carry on talking.

It will not be news to any of you that I am supporting the package today, but I want to give you this undertaking. Wherever the decision lands, I promise I will work hard with all of my fellow
3260 Deputies and colleagues, whichever side of this particular argument they have been on, in bringing this to bear and moving other business that is now urgent for the good of our Island.

Thank you.

The Bailiff: Deputy Dorrity.

3265 **Deputy Dorrity:** Thank you, madam.

I am sure it will come as no surprise to this Chamber that I support this tax reform package. Indeed, it was the failure of previous Assemblies over the past 20 years to do something that was one of the main reasons that prompted me to stand for election.

3270 Let me start by conceding something to those who oppose this package. They may be right about some of the detail. Some of the modelling may have needed updating. There may be more savings to be found. There may be further efficiencies that we have not yet identified. Perhaps rejecting tax reform might not lead to an S&P downgrade, might make borrowing more expensive or make Guernsey less attractive to businesses, perhaps.

3275 But none of that changes the fundamental problems we need to deal with. Increasingly, this debate has descended into an exercise in whataboutery and conspiracy theories on social media. What about this figure? What about that forecast? What about the Civil Service? What about waste? What if the economy improves? What if Pillar Two produces even more money than the latest forecast? What if the wind farm produces a massive new income stream?

3280 All legitimate questions, but they are not a substitute for solving the biggest problem we need to answer. Our working age population is shrinking, which means our Income Tax base is shrinking. Our ageing population is increasing demand for public services and we are spending more than we raise. We have been using our reserves to cover that gap, and those reserves are finite.

3285 This is why we need to broaden our tax base and why we cannot keep postponing the decision while waiting for every uncertainty to resolve itself. Of course, we need to reduce waste. Of course, we need to find efficiencies. Of course, Government needs to reform itself. But there will always be another inefficiency, another report, another recommendation and another reason to wait to put off taking action. We cannot make tax reform conditional on Government first becoming perfect. At some point, we must stop debating whether to act and act.

3290 We cannot discuss taxation as though it exists in a vacuum. We have a cost-of-living problem. Guernsey's rate of inflation is already higher than both Jersey's and the UK's. That matters. The estimated impact of a 3% GST on inflation is 1.9%. At 5%, it is estimated to be 3.2%. That is not just a marginal difference; it equates to a substantial additional increase in the cost of living. So, while I understand colleagues like my friend, Deputy Inder, the attraction of raising more money with an
3295 immediate 5% GST, I believe we have to be careful not to undo the good work of the wider tax reform package by imposing a much larger inflationary shock on an Island already struggling with higher prices.

3300 So I believe 3% strikes the right balance. It broadens the tax base and raises new revenue, but avoids imposing the larger immediate inflationary shock of a 5% rate. It gives us something else. Evidence. We will be able to see how the package performs in practice. We will have better information about revenues, expenditure, inflation and the wider economy. If the evidence tells us that more revenue is needed, a future Assembly can act. If other sources of revenue perform better than expected, that can also be taken into account. That is how you deal with the uncertainty. You implement, monitor and adjust. We should not make the mistake of using uncertainty as a reason
3305 to do nothing.

Madam, we have debated tax reform for long enough. We must continue to save money. We must continue to eliminate waste. And we must continue to reform Government. But those things are not alternatives to broadening our tax base. They are things we should be doing alongside broadening our tax base. The choice before us is not between this package and a perfect future in

3310 which every inefficiency has been eliminated and we have found a painless alternative source of tens of millions of pounds. It is between taking a necessary step towards sustainable public finances now or continuing to use reserves while we debate what might happen.

I believe this package strikes the right balance. It broadens our tax base, it provides a sustainable new source of revenue, and it recognises the reality of the cost of living with a 3% GST rate.

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The Bailiff: Deputy Dorrity, that is your time.

Deputy Dorrity: Thank you.

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The Bailiff: Deputy McKenna.

Deputy McKenna: Madam Bailiff, I always take comfort from Max Ehrmann in *Desiderata* when he said, 'Listen to the dull and ignorant because they too have their say'. So I will be brief and will have my say.

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A few years ago, Deputy Parkinson and I had a no GST night at St Clair Park and Deputy Sloan was our keynote speaker. Yes, there were many Deputies here, but of course they supported GST and they are no longer with us. But Deputy Parkinson quite rightly said, at that time, there was no need for GST. Now we have had the windfall of – I do not know what the figure is now – £79 million or £93 million, but now that we have had that windfall, our Treasurer or our finance lead has said, for many years, we do not need GST, and now that we have had that windfall, it is wonderful news, which confirms, in Deputy Sloan's words spectacularly, that we do not need a GST.

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Now, I am not an economist but I obviously was concerned when over 9,000 people signed a petition to say they did not want this, because they were trying to protect the future where they felt their children were staring at a future of higher inflation, which is making the cost of living unaffordable and they were leaving the Island. So it was 9,000 who signed that petition. There may have been more, but it is only 9,000 I could think of. There was 273 businesses that said they did not want this. That was 273 business people that thought this was not the time to introduce this tax package.

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Yet, some are putting themselves above an economist who has got a PhD, or a finance lead who said for many years we do not need it. We have now got a big windfall, so it really says this is not the time to increase any taxes. Yet some people are explaining that we must do it. Yet, again, our finance leader is saying that, if this was to be passed, he would not bring it in until 2029. So why? Where is the – through you, ma'am – I do not see why we are careering so close to the abyss, as I see it.

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I am sure many of you will remember when Deputy Parkinson first was saying we do not need a GST and that Pillar Two would come good, I stood up and said, and my words were, 'Sometimes you have to back the jockey and not the horse'. I did, and I think that is where we are. The only person who really seems to be doubting Deputy Parkinson's wise words is himself. But I ran for many years with my friend, Deputy Parkinson, and I believed in what he told me. We do not need GST. We have now got a bigger windfall from Pillar Two, which I just think is like having a lottery win.

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So, I am going to stick to my belief in what my friend has said. He told me, as he told the Assembly, we do not need a GST, we just got a big windfall on Pillar Two, and if this package was to proceed, it would not be until 2029. So that says to me we should be voting it out today.

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Thank God we have headroom. We have time on our hands, ma'am. So, yes, I will be voting against the package as the community, I think, will support.

The Bailiff: Thank you, Deputy McKenna.
Deputy Leadbeater.

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Deputy Leadbeater: Thank you, madam.

Our USP amongst the other Crown Dependencies is that we do not have a GST. So by supporting this package today, we are saying goodbye to our USP, bye-bye. Off you go. We are going to be exactly the same as the Isle of Man and Jersey in that respect. We are not the outliers that we are at the moment. We will not be able to provide the offering going forward.

Do we need more tax? Well, I do not really know, madam. I do not really know. If we had supported Amendment 45 and P&R could have reported back in 12 months' time, we would have had a clearer picture. I can see Deputy Sloan nodding in agreement. We would have had a clearer picture.

So, what happens if we get to 12 months' time, we have not made any headwind on the recovery plan and the Revenue Service, we have not made any headwind in making savings, and Pillar Two becomes a little bit more sustainable. So, if this happens, I am just saying, in 12 months' time, what would be P&R's reaction? What would their reaction be? Would there be, 'Okay, well, this seems like a different picture now. But we cannot make the savings; we need to put some more money in. We need to spend a bit more money on an annual basis. We are not going to be able to make the savings. Oh, and by the way, we need an extra two or three years to get the Revenue Service back up to speed because something else has happened. System has crashed. It has not gone to plan'.

I would like to know what would happen. I would like to know if P&R would say, 'Well, actually, we are in a far better position now. We do not need to introduce a GST element of the package at this point in time, because things have materially changed. The picture has become clearer.' This is the thing. We are being asked to make these decisions when we do not have the clear picture. We do not have it. We have assumptions; we have projections. We have. We have always had assumptions and projections, but look where that got us.

Deputy Parkinson, before, do you remember when Treasury came out and said £10 million was all that Pillar Two was going to generate? Deputy Parkinson said, 'No way, no way. It is going to be £30 million to £40 million, or even more'. Now, fast forward to where we are today, £90-odd million. We cannot say that is banked on a yearly basis; of course we cannot, but we have to see what is going to happen with the behaviour of the big corporates. Are they going to move onshore? But, if they do move onshore, there is a cost attached to that.

I am sure there are a lot of executives in these organisations that are quite happy in the Crown Dependencies; quite happy being offshore. There must be other reasons why being offshore can be of a benefit to them. I mean, it is a safe place, we are incredibly lucky that we are an immensely safe jurisdiction. That will remain a USP of ours.

Deputy Ozanne made a point about instability and about threats that we are going to be facing, and I totally agree with you. In Home Affairs, I am going to be asking for more money in the Budget next month. Yes, and my Committee members, because the budget has been cut and cut and cut over the years, and services are suffering because of it. Then we get representations from members of the public, 'Why can we not see more bobbies on the beat? Why can we not see this?' We do not have the resources. Give us some extra resourcing; we will give you what you want, public.

So this is what we are going to be coming to you asking for next month. We are coming to ask you for the resources to be able to give the public the service that they are asking for. That is what they are asking for. So we are listening to the public. Home Affairs are listening to the public. I am not saying that there is a magic money tree that Deputy Ferbrache used to speak of, but I am saying we are making our decisions in the wrong sequence, as I said before, and I am not prepared to make a decision on the evidence before us today that we need to introduce a Goods and Service Tax, because maybe come next October, when the P&R would have been reporting back, things are materially different. They may not be. They may be worse, but they may be better. But the important thing is we would have a clear picture. We would have the evidence in front of us.

Because, as Deputy Inder keeps pointing out, we are not going to make any savings, not at all. As I said, Home Affairs, if we are going to provide the service that the public –

The Bailiff: Twenty seconds, Deputy Leadbeater.

Deputy Leadbeater: – want, we are going to need extra resources to bring our establishment up to where it should be. It is not bells and whistles, but just where the establishment should be.

So, madam, for the reasons I have outlined, I cannot support this package and I encourage Members not to do so either.

The Bailiff: Thank you.

Deputy Oswald.

Deputy Oswald: Thank you, madam.

I have been asked repeatedly why I support the introduction of GST. My principal role to this Assembly and responsibility on this Island is for the delivery of healthcare to the population. We face demographic challenges which have led to a year-on-year requirement for an extra £5 million to £6 million on top of our budget.

Much of this gap arises from unexpected, and hence unbudgeted, pressures arising from acute care requirements, necessitating treatment on the mainland. This deficit is currently covered from the General Revenue Budget Reserve, which, as we have heard from Deputy Niles, is depleting at a rapid rate. I see the only way to replete these reserves long-term and maintain our ability to provide appropriate healthcare to the population of this Island is through a broad-based tax scheme, and GST seems to be the answer.

I appreciate Deputy Leadbeater's comments, but I find he almost argues against himself during this, because on one hand he says he will not support GST, but on the other hand he says he is going to present us with extra requirements in the Budget debate next week or so, but there is no indication where this money comes from.

Deputy Leadbeater: Point of correction, madam.

The Bailiff: What is your point of correction, Deputy Leadbeater?

Deputy Leadbeater: Deputy Oswald has just said there is no indication where this money comes from. We just banked £90 million.

Deputy Oswald: I will give way to Deputy de Sausmarez.

The Bailiff: Oh, you are giving way to –

Deputy Oswald: I thought that was what she was doing.

The Bailiff: Yes, I believe Deputy Oswald has given way to you, Deputy de Sausmarez.

Deputy de Sausmarez: Thank you.

I am very grateful to Deputy Oswald for giving way because, just before this grows legs, we do have to clarify that we have not just banked an extra £90 million, nothing like it. So, as Deputy Parkinson explained in his statement a couple of days ago, I know it was a while ago now, it is about £30 million more. It is not anything like £90 million more. It is not even £90 million in total. It is less than that.

So we really do need to manage that and also, as Deputy Parkinson explained, this is the high watermark and it is expected to recede from there. So, yes, it is a very helpful windfall. It buys us a little bit of breathing space. If Deputy Leadbeater is talking about a step change in the level of service provision, and I think he would admit that he is, it is not the sort of thing that is going to be sustained by a one-off windfall.

Thank you.

The Bailiff: Deputy Oswald.

Deputy Oswald: Thank you, Deputy de Sausmarez.

3470 With regards to those windfalls, my view is that they should not be spent and should go into the piggy bank. But we are obviously going to, in due course, have to debate this.

I stated in my manifesto that a consumption tax is inevitable. I listened to the opposing arguments and indeed participated in Deputy Parkinson's tax reform group during the election. I remained unchanged in my views then and my position has not changed now. I urge my colleagues in this Chamber to support the tax package.

3475 Thank you.

The Bailiff: Deputy Falla.

Deputy Falla: Thank you, madam.

3480 I need to put on record why, having voted GST down in the past, I have changed my mind. When I was invited to join P&R, one of the first things on our agenda was that we needed to form the Corporate Tax Sub-Committee and look really carefully at what might be done in that area in order to create more revenue for the Island. I was optimistic, hopeful, that this would turn up something new. It kind of did, but there are limitations, and what it did forms part of this package today, but it
3485 was not as big as what I had hoped for, and we have already had conversations this week about how we have to be very careful about rocking the boat that is so important to our economy, the finance industry.

We have taken what we can from that, but it was limited. So what else? The protections that are passed now of this strategy were important to me, that we could support those on low and middle
3490 incomes and that there would be protections there for people who need them. The 3% softer landing, which I saw as a significant improvement on what had previously been offered and suggested, and in fact voted in by the previous Assembly, and the fact that 80% of the additional revenue does not come from individuals, it comes from currently untapped sources. That has been overlooked very often in the last couple of days.

3495 What this brings is a level of certainty. What it brings is the potential for a better future for all of us and for our fellow Islanders. What it brings is the opportunity to provide infrastructure on a scale and level which we failed to do for decades through capital projects that can be funded. From this firmer foundation, we also must vigorously pursue economic growth. I look forward to that Budget debate next week because that is where we have to start really getting behind that, alongside better
3500 governance, better cloth-cutting, stronger accountability.

Please, Members of the States, consider the entirety of this suite of reforms in front of us today and let us move on and work together for a brighter future for our Island.

The Bailiff: Deputy Helyar.

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Deputy Helyar: Thank you, ma'am.

I am probably a rare individual today. I am a swing voter. I never expected to find myself in this position. I went through the election, lost a lot of good colleagues who supported me through the last term in promoting, with the public and amongst Members, the whole principles which still
3510 remain the central part of this package.

There has been an ocean of schadenfreude this week of those who oppose the package parroting back to me and others all of the arguments which I used to support it in the first place. I could spend a lot of time drilling down on that and mentioning names and having a bit of fun with it at people's expense, but I am not going to do that. We have all got a sensible and very important
3515 decision to make and a job to do today. P&R has discharged its responsibilities, as it should do, in bringing this forward because there is not anywhere else to go.

The problem I have with it is that the mitigations, benefits, or whatever we might call them, in the package were a political compromise because the Committee that originally thought these ideas up included Deputy Roffey and myself, probably polar opposites from a political perspective. But, we worked together really very productively and we did reach a compromise which worked well for both of us. He was very strongly of the view that unfairness in the social security system should be fixed, that is a major part of the mitigation package that we can see. I do believe that and I completely understand the arguments that go into that.

The idea of reducing Income Tax was my idea and he bought into that because he could see that we could move the benchmark up and down at which it started to bite, which would be another mitigation which would help those lower paid.

The irony, of course, is we will all accept, and we have probably seen this morning, and elsewhere this week, those who do not want GST, do not want it that much, they do not care what the mitigations are. That was going to be one of the points of my Amendment 8, which I did not bring, which was that, if people are not listening to what the mitigations are, do not pay them. *(Laughter)* I know that is a hard point to take, and I suspect from the laughter it might not have been very successful.

So, it is a light-hearted point, but my point is perhaps that we should not be applying as much mitigation, and this is the problem I have with this package, the rate was too low, the mitigations therefore too high, not raising enough whilst causing an enormous amount of damage – we have to accept that – to the economy. Because it will take a lot of work amongst businesses and the public to adapt their accounting and their reporting and so on to this regime if it is accepted. So, that is what has put me on the fence.

On the other hand, *en revanche*, I owe it probably to my colleagues whom I lost in the election, I probably owe it to electors who voted for me with a very clear ‘I support GST’ manifesto. I have been through that and come out the other side of it. So it was possible, but not many of us managed to do that, if I am quite honest with you. Perhaps I owe it to new Members whom I have spent a lot of time with talking to about this issue and trying to go through it with them and explain the work that was done, why I genuinely felt that way, why I felt it was the right thing to do, having turned over all of the stones, literally. And perhaps to those Members now who are supporting who did not support it last term, and who are now using the same arguments back to try to persuade me. So I am stuck between those two things.

The thing which puts me slightly more towards it was Deputy St Pier’s amendment, which puts us – I know it sounds difficult – but it puts us on a more honest discussion about this with the public because I have been saying 8% was in the 2020 January policy letter before I became a Deputy. I still think that is likely where we may end up at some point in the distant future. I am not saying in the near future, I am saying in the distant future. But we must remember we are talking about getting over a hill, and there is something that nobody has mentioned in this debate. After the period when our demographics spike, they will start to drop away again and there will not be as much requirement for tax. There is an end to this. It is just something we need to get through.

But it is going to be very difficult. We are going to have an ageing – a very elderly population. We need to invest in infrastructure, and so I am looking forward to listening to the rest of the debate.

Thank you, ma’am.

The Bailiff: Thank you.

Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, madam.

This has been a long and difficult debate and it is not a decision I made lightly. Nonetheless, it is a decision, it must be. I start out with the test I had in my manifesto. I said I did not like the idea of GST, but it would be irresponsible to rule it out entirely and that I would do my best to avoid it.

I also said that, before asking Islanders to pay more, we had to look properly at the alternatives and get our own house in order.

3570 Do I honestly feel that we have completely achieved that? No, I do not. I do not think anybody in this Assembly does. We are not pretending to. In that respect, I find myself in a similar place to Deputy Bury and share concerns about the most vulnerable in our society. Have we really explored the alternatives? When Deputy Parkinson came back with the corporate review, I was disappointed there was not an alternative lurking there. But do I genuinely believe there is still a viable alternative
3575 lurking somewhere? No.

I have gone back through the debates of the previous term. I have listened to this debate and I have examined the amendments. The scrutiny of policy does not begin and end in this Chamber. There is a reason policy letters and amendments are published in advance, so Members can examine them before we get there, and that includes looking at the long, torturous history of this, which my
3580 colleague Deputy Helyar has just explained in some detail.

We have made progress in getting our house in order. Yes, we have. But there is still a gap and perhaps even a leap of faith between us saying that and Islanders seeing and feeling the results. That is absolutely evident in all of the emails that we have received. That work cannot stop if we agree these Propositions today.

3585 There was another test I set myself during the election and I keep coming back to it; to get on and get things done. Does this move us forward? Will it allow us to start solving the very real problems faced by Islanders? Because ultimately that is what I want us to get on with, the business of Government.

The previous Assembly spent an extraordinary amount of time wrestling on this question, from
3590 the first tax review in 2021. I am not going to go through it. All of the questions that were asked, how much should Government spend, where we can save, should companies pay more, should we change Income Tax and social security, should we have GST, and how do we protect people on lower incomes, all of that wrangling because it is not an easy decision. We are wrangling with it now because it is not an easy decision.

3595 But after all of those debates, amendments and different versions of the tax reform, I have to ask myself how many stones are genuinely left unturned. It does not mean there is no more work to do. There absolutely is. Getting our house in order cannot simply be something we say every time we oppose the tax measure. It has to translate into decisions on expenditure, efficiencies, economic growth, productivity and reform. Crucially, Islanders need to see the results. They are not
3600 going to see the results if we fail to make a decision.

Some Members have asked why 3% and why not 5% or more. For me, the principle is simple. We should take only what we need, not what we can. Having reflected on it overnight, I feel I cannot support Proposition 1A. I understand the argument made yesterday for increasing GST first to 4% and 5% with safeguards. It was well argued, but on balance I do not believe it is necessary.
3605 I absolutely believe that we should be bold about economic growth, creative about incentives, and ambitious about what we want to achieve. But I do not believe we need the extra 2% to do that.

The purpose of this package is not simply to raise more money for Islanders. It is also about restructuring where the revenue comes from. Of that £39 million in additional revenue identified in the package, around 80% comes from businesses and visitors rather than households. That matters
3610 to me.

With implementation delayed, I believe 3% is the appropriate starting point within this package. As low as possible while raising what the package is designed to raise. Then we test it with the assurance review, where we will see and have more surety about the Pillar Two reserves.

Just incidentally, on the point raised by Deputy Oswald and Deputy St Pier, that we should bank
3615 those things. I say no, we should give them back.

The Bailiff: Deputy Hansmann Rouxel, that is your five minutes.

Deputy Hansmann Rouxel: Okay.

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The Bailiff: Deputy Strachan.

Deputy Strachan: Thank you, madam.

3625 Like many of you, I have listened to the constituents who have emailed us and spoken to us directly. One message has come through clearly, which was echoed by Deputy Hansmann Rouxel, a plea for us to sort out our house before introducing any new taxes. (**Several Members:** Hear, hear.)

3630 After one year in Government, I am firmly of the view that we need more resources to put our house in order, not fewer. However, please bear with me, because this is not a call to simply throw money at our problems. I was CEO of Startup Guernsey when the Agilisys contract was being discussed in Government. I remember the excitement surrounding the opportunities it was expected to bring. What I did not know at the time was the extent of the lack of preparation and capacity for delivering a project at that scale.

3635 This is a common thread running through the Agilisys debacle, Income Tax system debacle, and the phase two failures of our hospital modernisation. At the outset, when we should have done more work, not less, to prepare these projects, during procurement and contracting, when experienced legal and commercial advice is essential, and throughout delivery, when effective project management is critical. We need these systems to be better to support economic growth, support our ability to thrive, and manage the risks that are coming at us.

3640 Madam, artificial intelligence is already presenting significant risks and challenges. It will transform our financial services industry and many of the high-income jobs on which our economy depends are at risk. Those same jobs generate a substantial proportion of our Income Tax revenues.

3645 However, digital technology also presents enormous opportunities. Experts suggest that AI could transform healthcare within the next two to five years. The question for us is whether we will be ready to take advantage of the efficiencies it can deliver. For me, digital technology is part of the solution to controlling healthcare inflation and improving the sustainability of our health services.

3650 Finally, as a member of the Health & Social Care Committee, I am more aware than ever that too many children are falling through the cracks. Anxiety, mental health problems, and rates of school refusal are increasing, and the number of young people who are not in education, employment or training is rising. This is not simply a policy problem; it is a people investment problem. Addressing it requires more one-to-one support to help young people re-engage with education and society. It requires greater support at the preclinical level for those experiencing low levels of anxiety, depression, and other mental health challenges. It is also an economic issue. Our young people deserve the opportunity to thrive, build meaningful careers, and become active, productive members of our society.

3655 Change costs money. This is not the time to be pursuing savings for their own sake when we face significant investment requirements. If we do not provide the resources needed to invest in change, we are effectively asking our CEO to put our house in order while tying both hands behind his back. We cannot expect meaningful reform, improve services and greater efficiency, without first making the investments required to achieve them. In the long term, these investments will help reduce costs and avoid repeating the mistakes of the past, but we must be willing to fund the changes before we can realise the benefits.

3660 We must invest in our ability to be agile, prepare for future technologies and infrastructure needs, and committed to supporting the next generation. I firmly believe that additional revenue is required to achieve these objectives. Over the course of this debate, I have not heard a more credible alternative than the GST package currently before us.

3670 I will continue to do my part to put our house in order and to push politically for the oversight and accountability needed to deliver that change. We now know that many of our systems are not fit for purpose. However, we also have dedicated staff working hard to improve them and they deserve our support, along with the right people and expertise in the right places. Only by making these investments now will we change our long-term trajectory and achieve savings in the future.

This tax reform package delivers the balance and fairness that I committed to in my manifesto, and for that reason I will be supporting it.

Thank you.

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The Bailiff: Thank you, Deputy Strachan.

Deputy Collins: Ma'am, just to ask, will we get a copy of the final proposals?

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The Bailiff: Yes, you will, Deputy Collins. It is just being finalised now.

Deputy Collins: Thank you.

The Bailiff: Who else wishes to speak in debate?

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What I suggest we do is we go until four and then, during that break, then the final versions can be handed around. But we are just doing a little bit of communicating on it now, Deputy Collins. Deputy Blin.

Deputy Blin: Thank you, ma'am.

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Well, after all the amendments and the days and the modelling and the arguments, I keep coming back to a much simpler picture. Not this Chamber, not the spreadsheets, but just the people we have been talking to, the ordinary family sitting around the kitchen table at the end of the month and looking at what has come in, what has gone out, and what is left. So, the mortgage or the rent has been paid, the electricity bill has arrived, food costs more than it used to, school costs maybe. These are the middle families, the childcare, the petrol, the insurance and repairs, prescriptions or simply, as usual, always the unexpected bill. That is the one that arrives always at the wrong time; a bit like this.

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What we are being asked to do is to add another charge to much of what that family already spends. We can call it 3%, we can explain the mitigations, we can point to averages in modelling, but that is not how real people will experience GST. They will experience it as just another amount leaving the household budget, week after week and month after month. That is why I found this decision so difficult. The pressures we face, we all understand. I accept the demographic challenges, I accept that public services must be funded, and I respect those Members who have listened to the same evidence and yet have reached different conclusions.

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Before I vote to create a completely new tax which will reach into the everyday spending of virtually every household and business in this Island; I need to be satisfied that we have genuinely exhausted the same evidence and reached a different conclusion. Sorry, I need to be satisfied that we have generally exhausted the alternatives. I apologise, ma'am. I am not satisfied that we have.

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That concern has only grown during this debate because the financial picture itself has continued to move. We have received significant new information about Pillar Two revenues and figures, which formed part of that background to this debate, have changed, while we have actually been debating them. That does not mean our official financial challenges have disappeared, they have not, but it does remind us of how uncertain long-term forecasting can be, and that matters when the decision before us is not a temporary one.

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Once GST becomes introduced, businesses will have changed their systems, Governments will have created the infrastructure, and the tax will become embedded in everyday life. Future Assemblies will inherit a revenue mechanism which in practical terms will be far easier to increase than it will ever be to remove it. For me, that requires a very high threshold of certainty.

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I have also been there before. In the last term, I sat through a lot of what Deputy Helyar and others have spoken about, the lengthy tax debates in which GST was put as part of the answer to Guernsey's financial challenges. The question for me is not whether GST has been discussed, or long enough. Clearly, it has. The question is after all the discussion and despite the changing financial picture, GST has actually become unavoidable. I still do not believe it has.

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Throughout this debate, I have argued that we should look harder at alternatives. I brought forward a proposal to investigate the Insurance Premium Tax. That was rejected and I accept that decision of the Assembly, but I never suggested IPT alone was the answer.

The alternative to GST was never going to be one neat number from one neat source. It may have required a combination of greater efficiency, tighter control of expenditure, better collection of revenues, and already owed different forms of taxation, stronger economic growth, greater use of technology, and above all artificial intelligence, and the development of new sources of income for Guernsey. That would have been harder, but I would have been prepared to follow the harder route before creating a new permanent tax on consumption. I have also thought a great deal –

The Bailiff: Six seconds to go, Deputy Blin.

Deputy Blin: How many?

The Bailiff: Six.

Deputy Blin: Okay. *(Laughter)* I have just used all that up. Okay, and that is why after listening to the argument, I will not be able to support the Proposition.

Thank you, ma'am.

The Bailiff: Thank you.

It is near as damn it four o'clock, so let us take our 10-minute break now. His Majesty's Sheriff will circulate the draft composite Propositions for people to have. It is also going to obviously go on SEV. We will return at 10 past four. It has still got the word 'draft' on, but I think it is the final version, is it not? Yes.

*The Assembly adjourned at 3.58 p.m.
and resumed its sitting at 4.10 p.m.*

**4. Tax Reform 2026 –
Debate concluded –
Propositions 1 to 12, 15, 16 carried as amended
Propositions 13 and 14 lost**

The Bailiff: Members, you should all have on your desks, or thereabout, the composite Propositions, which I hope will be of assistance to you when we go to voting. You will see what the States' Greffier team have done because it is such a behemoth. They have put at the end of each section the parts that have been added in by amendments, which I hope you will find of assistance. I wish it was me and I wish I could take the credit, but I have to say it is the States' Greffier team who have done a brilliant job there.

Who would like to speak next in debate?

Deputy Camp.

Deputy Camp: Thank you.

Madam, Deputy de Sausmarez asked whether there is anyone in this Assembly who does not want affordable housing, a modern hospital, better infrastructure and good public services. Of course, we want those things, but agreeing on the things we want does not tell us whether this package will deliver them, whether we can afford the promises already made, or whether we are choosing the right way to fund them.

The speech presented the choice as action or inaction, either accept this package or keep going round in circles while reserves run down. That is too simple. We can agree that the public finances need attention and still ask whether this package addresses the causes of the problem or simply gives us more money to continue making it worse.

3770 We need to look at our spending record. By my maths, core Government payroll rose by 64.3% between 2015 and 2025, while RPI rose by 42.9%. The analysis attributes that payroll growth to an increase in head count, not higher pay per person. That does not mean the additional staff are unnecessary. It does mean that the choices we make about the size and shape of Government have a lasting cost. We cannot discuss the revenue gap as if it exists independent of those choices and
3775 past performance is a guide. If spending repeatedly grows faster than inflation, why should Islanders believe that new tax revenue will, by itself, change that pattern?

Without firm discipline, the new money risks prolonging today's pressures. It may let us defer decisions that are difficult now, while leaving less room to respond when the next challenge arrives. The Major Projects Portfolio makes that concern concrete. Its report estimated the cost of the
3780 existing delivery portfolio at £461.3 million and placed 26 further schemes in the pipeline. Pipeline is not approval to spend the full amount, and those projects still need business cases, but the portfolio shows the scale of the ambitions we are carrying and the need to judge them against our actual resources and capacity to deliver.

They should also highlight to us how intended future actions of the States are influencing the
3785 projections of the funding gap. The funding gap is not an unavoidable consequence. It is, to some extent, an active decision created by this Assembly through the decisions it makes. Health has already had to confront that gap between ambition and affordability through the Electronic Patients Record and Our Hospital Modernisation Phase 2A, which could not be delivered within its previously agreed funding.

3790 These projects matter. That is precisely why we must be willing to stop, rethink, or reshape work when the plan proves too ambitious in its current form. Raising more tax does not make a project deliverable. I have seen arguments that higher tax must surely mean we will be more disciplined in spending. I do not think we can rely on that. When more money becomes available, it becomes much easier to postpone the hard choices: which service comes first, which project can wait, and
3795 what we should stop doing. A binding limit, however, concentrates minds. We should build that discipline into our decisions rather than assume that taxation will create it for us.

The claim that this package enables new services also needs care. Revenue can help fund services, but it does not guarantee that we choose the right services, manage them well, or deliver them successfully, nor does the model show that showing most households gain overall tell us what
3800 happens to every household. Saying that companies remit most of the GST does not prove that companies bear its final cost. Depending on the circumstances, the cost may reach customers, reduce margins, affect wages, jobs and investment.

We also heard that P&R consulted extensively with business. Consultation matters, but it is not consent. In July, Deputy Niles cited the number of companies and employees represented by
3805 organisations that had issued a joint statement. Those numbers describe the organisation's reach. They do not show that every business they represent supports GST. The cost of delay is real, but so is the cost of acting without enough discipline. The choice is not simply this package will do nothing. We can set out what we will spend, what we will stop or reshape and what savings we can actually deliver, then decide what additional revenue is justified.

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The Bailiff: That is your time, Deputy Camp.

Deputy Camp: Thank you.

3815 **The Bailiff:** Deputy Williams.

Deputy Williams: Thank you, ma'am.

3820 Interestingly, this is not just about GST, it is a tax reform package. Obviously, part of the argument is about broadening the tax base, making us less dependent on Income Tax from a working population. That working population will be reducing in relation to the non-working population over time, which leaves us very exposed to the risk of reduced income and changes, as other people have mentioned, regarding AI, etc., on the working population as well.

3825 Very little has been referred to about the 15% Income Tax rate, which is a reduction in Income Tax for people up to £28,000 for the tax reform package and is a slightly different figure on the 1A change, but very little has been out there. Very few badges saying, 'Do you support 15% Income Tax?' (*Interjection*) We are obviously also going to be looking at – well, we are currently reducing our reserves, and we just cannot continue to do that. Also, within this package is the Corporate Tax increase, the transport tax raised, and then obviously the GST that will be on visitors that we do not currently get.

3830 It is overall easier for us to delay and just not make decisions. There is never going to be a good time to introduce a tax of any sort. This is actually – and one of the things that Deputy Helyar is not so keen on – an income distribution. If you are going to go through the pain, raise some money – it does raise some money – and obviously with some of the opportunities there are for the stepping up with the alternative amendment that was put forward by Deputy St Pier, but the public do expect us to make difficult decisions and so it is not easy. We still want to be looking at other opportunities and we still want to be instilling the savings culture, so this is not about raise some money and then just spend it all. We do need to be staying on the savings. We need to be accruing the funds and we need to be supporting our reserves over time.

3840 Thank you.

The Bailiff: Thank you.

Am I turning to Deputy de Sausmarez?

Deputy Curgenvén.

3845 **Deputy Curgenvén:** Thank you, ma'am.

In January 2023 two of the best speeches against the GST and mitigations were made, one of which I will partially reproduce here, ma'am. I do agree with Deputy Burford's analysis that irrespective of those mitigating measures they are going to be the first thing to be left behind as soon as the just as inevitable rise on GST are introduced, and I do think they are therefore very vulnerable. I will come back to the issue of inequality later. Actually, no, I will talk about it now.

3850 I am glad that Deputy Burford mentioned inequality because actually this is easy to lose sight of this in this kind of debate. Of course the introduction of a GST would affect everyone but it affects some people more than others very much and no amount of mitigating measures prevent it from being a regressive tax. This really matters in the Guernsey context because we are already a very unequal community in terms of income. We are one of the highest Gini coefficients, which is the metric of income inequality, anywhere in developed countries. So this is something that we really do need to worry about.

3860 GST is inherently regressive. I know there are mitigating factors but it is not going to make GST not regressive. Therefore, it is going to exacerbate inequality, and I do think that is something to really worry about. Even those people who do not care about it in their own right should worry about the fact that income equality drags down economic growth and the opportunities for economic growth. So it is an issue we need to tackle.

3865 I know that former Deputy Roffey, if he had not already spoken, would jump up to his feet and say, 'People at the higher end of the income spectrum will be contributing more and we have made all these mitigations', and that is true. But it does not escape the fact that we have to look at this in the context of what is, to many people's lifetime experiences, an unprecedented squeeze in terms of cost of living. It is just so much more difficult for people to make ends meet.

I know that people towards the lower end of the income spectrum are better protected but – I think Deputy Burford talked about timing. I have real concerns around timing both in the

respect that she discussed when she spoke but also in terms of the macroeconomic situation and that we are potentially looking to introduce a new tax on individuals, on households, at exactly the time when those individuals and households are feeling like there is not any more juice in the lemon to be squeezed.

In the four years since Deputy de Sausmarez made that speech, ma'am, there really is no more left in the lemon to squeeze. We are facing a crippling cost-of-living crisis. Three things have also changed. First, the mitigations. These are less generous than the previous Committee's package. Second, on the wider group basis, total States of Guernsey pay costs were – they have gone up £50.9 million, or 14% over two years.

Finally, the Committee composition itself has changed with Deputy de Sausmarez now sitting on the Committee bringing back the package she once rejected but with less generous mitigations. What Deputy de Sausmarez, and indeed Deputy Burford, said back then, the principles they so clearly articulated hold even firmer today than ever before. Therefore, ma'am, I will not be supporting this amendment and, through you, I implore Members to do the same.

Thank you.

The Bailiff: Members, there are a couple of typos that have been picked up by Members in the composition. They do not make substantive differences but I think it is nevertheless important that they are dealt with. So another version is going to come out before we get to the final vote.

Who is going to speak next in debate?

Deputy Malik.

Deputy Malik: Thank you, ma'am.

Members, this debate is not just about tax. It is about whether we are prepared to secure Guernsey's future on a fair, sustainable and honest foundation. (**A Member:** Hear, hear.) For too long, we have known that the Island faces a structural deficit. Our recurring commitments exceed this reliable income that is available to meet them. We have drawn on reserves to bridge that gap, while too often postponing the investment that is needed in our infrastructure, our public services and our economy. That is not a sustainable plan. It is not a plan at all. The evidence is clear: without action the General Revenue Reserve could be exhausted early in the next decade.

We cannot responsibly fund the day-to-day services, meet growing health and care needs, and invest properly in the essential infrastructure simply by hoping that growth, investment returns, or uncertain future revenues will arrive in time. We should be clear about what is at stake. This is about the services on which the Islanders depend: health and care for an ageing population, support for children and families, safe roads and resilient utilities, housing, education and the capacity to make our Island a place where young people can build a future.

Investment in infrastructure is not a luxury. It is how we create the conditions for economic growth, better housing, effective public services and opportunity, but investment requires financial capacity. We cannot continue asking for first-class outcomes while declining to put the public finances on a secure footing. The Proposition takes a balanced approach. It does not rely on one group alone. It combines expenditure, discipline, and efficiency with a broader, more resilient revenue base. It recognises the need to protect those who are least able to absorb the additional costs through targeted support, benefit adjustment, and relief. It also acknowledges that businesses, visitors, and those who benefit from the Island's prosperity, must each make a fair contribution.

No package of reform is perfect, but perfection cannot be the test when the alternative is continued drift, declining reserves and even more difficult choices forced upon a future Assembly. We have an opportunity today to act deliberately rather than react in crisis, to protect the services rather than cut them after the money has run out, to invest in the Island rather than allow essential projects to be deferred year after year and to give the Islanders confidence that this Assembly is prepared to confront the difficult issues with fairness, courage and purpose.

Let us not delay this decision any further. Let us have an Island with strong services, modern infrastructure, sound finances and real opportunity. I urge the Members to support the Proposition.

Thank you.

The Bailiff: Thank you.
Deputy Collins.

Deputy Collins: Thank you, ma'am.

As you know, ma'am, I am a man about numbers, and all of this is about numbers. Forty. Forty Members in this room, ma'am. Taking out the five members of P&R that leaves 35. I think they have convinced 15 or 16 Members in this room to vote for this package. It is incredibly close, ma'am, 21:19.

In reply to Deputy Parkinson, who said on a strong foot, 'It will not be', and really, I had written this already before, and Deputy Inder picked on this, that this will not be the end of this. This will come back. This is not a huge majority going through. This package has not convinced, perhaps, all of us. It is still very close to call, ma'am, but not a two thirds majority to really enable this to go forward in a positive way.

Deputy Niles was absolutely right that the last Assembly left us a big basket of unfinished business, an Income Tax system, a Revenue Service system that is drowning. As I said in this Chamber before, ma'am, back in July, I attended that briefing in March when they told us, 'Give us 18 months'. Here we are six months later, they are now asking for two years. I was very emotional at that meeting, ma'am, because I knew that this term meant that we needed to do nothing. We needed to give them time to get themselves back up and running.

Now I am really worried about the number of Members that have talked about, 'This package will start filling reserves'. Ma'am, I just really want to say it will not because pushing through this package, GST will be on the table and we will start feeding that beast, the beast of uncontrollable expenditure. We have already heard, ma'am, that the Budget coming next time is going to increase expenditure and Committees are going to continue to push expenditure.

Now for me, ma'am, the big thing that the last term did not really tackle was housing. I echo again that the reason we have got some high costs is because the rents that people are paying is pushing up inflation and the young people of this Island are struggling to stay on this Island. Through this package, we are going to kick them again, ma'am. They do not have anywhere to live, and they have been paying much more in taxes and charges. It is going to just roll and roll, this package, to go to 3% to 4% to 5% inflationary effects. All that is worse than just a 1% or 5%. That is why I asked the question, ma'am, originally, 'What would 5% or 10% GST bring in?' Even though I am anti-GST, I would prefer that we did a one-off hit and moved on, but I echo the fact this is now not the time.

Through the lack of population data, ma'am, we are blinded in one eye. The other eye, through our lack of having an actuarial report on the gift funding – the last report we have got is from 2019 – that makes us blind in two eyes, ma'am. The lack of our IT systems and supporting team with 300 projects already overloaded makes us injured, ma'am. We are blind, we are injured and we are going to hurt ourselves by putting this package in. It is absolutely, to Deputy Gollop, just to remind him the effect this will have on Alderney, an island he cares about, how this will hurt them more than it will hurt Islanders in Guernsey.

I truly believe also, ma'am, with housing, we are in for another windfall about Document Duty. I look at the transactions we are seeing, there is some buoyancy in this housing market, ma'am, and we are going to see increase in revenue this year. Just in reply to Deputy de Sausmarez about her maths, now I know that in 2025 we accounted for £39 million. If we are saying the windfall is £93 million, that is £54 million. We would do accounting adjustment for last year and we would have an extra £53 million for this year. That would be £107 million extra, before you start taking away parts of it, so our accounts will have a boost for the number of years.

I am happy to give way – to Deputy Sloan. *(Laughter)*

The Bailiff: No. Now, Deputy Collins, you should have indicated to Deputy de Sausmarez you were not giving way to her rather than just then immediately going to Deputy Sloan. I am sorry, it is courteous at least to indicate you were not going to do it and just say somebody else was going to be trumped.

Deputy Sloan.

Deputy Sloan: I have lost my train of thought. In terms of the numbers, in terms of the windfall, yes, but obviously Deputy Collins would be aware that actually in terms of the windfall there are now £63 million more revenues for Pillar Two than at the time that GST Plus was supposed to be agreed in November 2024. Can he imagine that GST Plus, which we are effectively tying up today, would have been agreed in November 2024 if facility revenues had been £64 million more then? If that had been known, does he really think that we would have been on that train?

The Bailiff: Deputy Collins.

Deputy Collins: Thank you, ma'am.

To really conclude, ma'am, I am against this package, and I do urge Members to really think very, very carefully. This is really very close, Members, one way or the other. Seriously do think about how you are voting again on each of the Propositions, ma'am, and that is all I wanted to contribute.

Thank you.

The Bailiff: Deputy Van Katwyk, you have already spoken.

Deputy Van Katwyk: I have already spoken. Thank you, ma'am, I am going to the toilet. *(Laughter)*

The Bailiff: I do not think you need my permission, so enjoy. *(Laughter)*

Who else would like to speak in debate? Deputy Matthews, or do you also want to go to the toilet? *(Laughter)*

Deputy Matthews: I do not need to answer the call of nature just yet, ma'am. Thank you, madam.

I think I align most closely with Deputy Leadbeater in terms of the speech that he gave. I supported very strongly the amendment to just give us a bit more time to get a much clearer picture of where we are at, but I also have a lot of sympathy for Deputy Helyar's position, being on the fence, perhaps for different reasons, being a floating voter. I have never been somebody who would say, 'I am entirely opposed to GST'. There are circumstances where I think it would be the right thing to do. I think those circumstances were most closely met 20 years ago. If we were able to jump in a DeLorean and go back to those heady days of 2008, then perhaps that might be the right time to implement it, as Deputy Sloan suggested, but at this point, I have a greater struggle.

Madam, I do not do any sort of personality politics or anything. I think that P&R have put an awful lot of work – and have put a lot of really genuine work – into trying to turn what was the lion of GST into a pussycat through various mitigations and a 3% rate, and have come up with a policy that is more redistributive than anything else. That is largely what it has done. The problem is I have never really been convinced that GST is the right mechanism to do that type of redistribution because of the effects that it causes on inflation.

The issue, I think, that I have is that the alternatives are always too long and too far away to try and implement. That is why I really struggle, especially this week, with the fact that Deputy Parkinson announced that we think we are much better off with regards to Corporate Tax than we thought that we were because that buys us the necessary time to be able to look at these alternatives much more clearly and with a clear-eyed look. This is what Deputy Leadbeater's amendment would have

done, and this is what I think is the right thing to do because inflation and cost of living is the issue amongst the public at the moment.

We also know the public want efficiencies. That is what they are constantly asking us for, but here we are, effectively, looking at a set of Propositions that would see us greatly increase our administrative requirement, especially in Revenue Service, which we know is very overstretched, only, really, largely to collect up tax and impose this administrative burden on businesses as well to collect in revenue, a lot of which we are then going to redistribute.

It just looks like paper shuffling, collecting money in and then putting it back out again. I think for a lot of members of the public it just looks like a fool's errand and so it is very difficult to see that that is an efficient way of doing things. I also find it difficult to support such an idea when we are taxing food and essentials and causing all this disruption for fairly modest gain. I think I am on the side really of looking at not supporting the main Propositions.

One other aspect, madam, I do not know if I will have time to mention, but I did abstain on the vote for Amendment 23, which was Deputy Sloan's amendment, which Deputy Helyar proposed in Deputy Sloan's absence, on the basis that I did not really understand what was meant by inflation in that. It just says 'inflation', did not say RPI, did not say RPIX, did not say CPI, it just said inflation. HSC has a particular issue with this because we see inflation that is not inflation related to general consumer inflation.

RPI measures the increases in price of cheese, but the sort of inflation that we see when we look at increases in things, like the cost of off-Island acute care, are also inflation. They are medical inflation, but that is not inflation that we are generating. If the cost of a heart bypass was £100,000 and it goes up to £110,000, that is inflation, but it is not RPI-linked inflation. I think that for that reason, I would ask Members to consider, especially because I know a lot of other –

The Bailiff: Time, Deputy Matthews.

Deputy Matthews: To consider that Proposition.
Thank you, madam.

The Bailiff: Thank you.

Deputy Goy: Ma'am, can I ask a question?

The Bailiff: If you stand, Deputy Goy, you can ask a question.

Deputy Goy: Thank you, ma'am.

Ma'am, with this Proposition here, do we have some time to process it before we actually make a decision, or is that not possible?

The Bailiff: When we finish general debate, we will be going into voting.

Deputy Goy: Straightaway?

The Bailiff: Yes.

Deputy Goy: Is there any provision for us to ask for, say, 10 minutes, 15 minutes to actually process everything that is in here?

The Bailiff: Well, I am slightly concerned, Deputy Goy, because the longer we leave it, there are certain people who I know want to leave, and I am sure they were anxious to vote. All of these amendments have been the ones that you have voted on. What we have done, or rather States' Greffier team have done, is for your assistance putting it on, but it is really important for you,

as a States' Member, to have understood as we have gone along what exactly has been voted on. I am afraid I am not going to give more time to take that for further consideration.

4080 **Deputy Goy:** Final question, ma'am. Well, ma'am, would you be able to let us know, because some of us might be a bit unsure, if we want to reject GST, exactly which Propositions or sub-Propositions must we actually vote against?

4085 **The Bailiff:** No, I am not going to identify for you which ones are about GST, Deputy Goy, but what I can say, if it is of assistance to you, is that when it comes to the voting, we are able to divide up some of the Propositions. For example, what is currently number one in the draft composite Propositions, you are getting another slightly – just with two typos picked up. One which runs from (a) through to (f), that will be one thing to vote on and then 1.1 will be voted on separately, 1.2 will be voted on separately, because those are the amendments put in by Amendment 58, for example. It is going to be broken up into different Propositions. You will have the opportunity to pick and mix your voting, but it is up to you, Deputy Goy, how you are going to deal with that.

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Deputy Goy: Basically, there will not be a vote on 1(a) or 1(b) or 1(c), it would just be –

4095 **The Bailiff:** As I have explained, Deputy Goy, it will be 1(a) – little (a) – through to little (f). That is one Proposition. Then there will be 1.1, then there will be 1.2, then there will be 1.3, then there will be 1.4, because when Deputy St Pier inserted Amendment 58, it was agreed – sorry, that is the P&R one – that they would be dealt with separately. They can be dealt with as amalgams if they are requested or they can be dealt with in singular matters. It is up to the Chamber to tell me how they would like to vote on them. What I can say is that if they are 1(a), I am not going to divide up little (a), little (b) separately. They will come in as one vote.

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Right. Deputy Gabriel.

Deputy Gabriel: Thank you, madam.

4105 Members, there is no point pretending that introducing GST will have no effect on households. We know that 9,000 members of those very households have signed a petition indicating it will impact them. A consumption tax will increase the price paid for most goods and services, and that impact will be on every household, including the inflationary aspect too. That is why the mitigation or benefits package matters, we are told.

4110 The question before us is not simply whether GST exists in isolation. The question is whether the design of the wider tax reform package so that the additional revenue we need is raised while protecting those who are least able to absorb additional costs. I do not believe it goes far enough for the squeezed middle of Guernsey.

4115 P&R has proposed that GST should not apply to a number of significant areas of household expenditure, including housing costs, healthcare and childcare, but the mitigation does not stop there. The wider package changes Income Tax and social security contributions so that people can retain more of their earnings. P&R has stated that the package is intended to raise additional revenue while reducing the burden on many working households through those changes. That is an important principle. If we are going to introduce a consumption tax, we should not look at the GST bill in isolation. We should look at the combined effect of the entire package on household finances and for people receiving income support, there is further protection.

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4125 We should also recognise the tax reform package provides for increases in the States' pension, income support and other affected benefits alongside the other tax mitigations. If GST is introduced, the protections should be there first, but – and this is the most important question for me – how much is this package of mitigations or benefits going to cost? Twenty eight million pounds, we are told, to achieve a net revenue of £36 million to £41 million. I also think we need to be honest, the systems are not in place. Revenue Service is in special measures. How will they cope, let alone the small businesses?

Guernsey faces a significant funding challenge. We all know that there is increasing demand for public services and the long-term pressures created by demographic changes. Never mind Home Affairs keeping nefarious activity off the streets, I cannot even keep weeds off the streets. *(Laughter)* We therefore have two responsibilities. The first is to make sure that our public finances can support the services that Islanders depend upon and are used to. The second is to make sure that the way we raise that revenue is fair and that those least able to pay are properly protected.

GST does not achieve the second objective. Mitigation, protections, benefits, call them what you will, should be reviewed against what actually happens to household costs, not simply what was in play when the policy was designed. I do not think that the proposals will work as intended, though, and the stubborn Guerns will not behave as we think. I do not believe we should tell Islanders that GST will have no impact and be our saviour. That is not credible and goes further to erode the trust between us and the electorate. **(A Member:** Hear, hear.)

Instead, what is being introduced, why it is being introduced, what protections accompany it and what safeguards exist to ensure that those protections are delivered? I think the GST brand is damaged. Most think that this debate is about GST, not a tax reform. The lower standard rate of Income Tax of 15% has been missed by most and hardly breathed a word about, and I still do not think that message has landed. **(A Member:** Hear, hear.)

This proposal is more than simply raising revenue. It is the way we tax transport as well, which I will touch on, as you would expect, as it is in our mandate, so how it influences the choices people make. If we want to reduce unnecessary journeys, encourage more efficient vehicles and make better use of limited road space, then our transport tax system should reflect those objectives. We must recognise that not everyone has the same choices. For some Islanders, particularly those living in less accessible areas or with particular personal circumstances, a private vehicle is not a luxury, it is a necessity. I am pleased that the transport tax reform is therefore proportionate and designed with those circumstances in mind. For some, their motoring costs will reduce.

Transport taxation provides an opportunity to raise revenue while also creating a closer link between the costs associated with motoring and the people making those choices. The 25% reduction in fuel duty will help the erosion of revenue from fuel duty as the community moves towards more fuel efficient and electric vehicles. It will help address the unfairness of the impact on people who cannot upgrade to more fuel-efficient vehicles. It also addresses the lack of any ongoing taxation on electric vehicles beyond first registration duty, and it progresses the integrated transport strategy which aligns with the revenue generated from transport with the transport needs of the wider community.

Thank you.

The Bailiff: Thank you.
Deputy Burford.

Deputy Burford: Thank you, madam.

I have spoken in detail to many people in the last few months. Amongst them, I spoke to a young person with a family. The parents are both working but struggling with a mortgage, with childcare costs and with the general cost of living. They shared their situation with me, and I calculated it both manually and on the calculator. It showed clearly that they will be £1,200 a year better off after everything is taken into account, including GST, something that would make a worthwhile difference to their situation. Despite going through everything very clearly with them, they were still unsure because of those three letters, GST.

People instinctively fear change, the unknown, but the truth is that this tax package is a way of making life easier for thousands of Islanders on low and middle incomes. Equally crucially, it is also a way of diversifying the tax base which is undeniably needed. Whilst not entirely closing the funding gap, even after Pillar Two updates, it significantly improves the picture and gives us confidence to invest in this Island.

4180 We have had calls that trust is needed to be rebuilt, and I fully agree. I acknowledge the vital importance of it. I have spoken about it myself on many occasions, particularly as President of Scrutiny last term. Yes, there have been and still are things that have, of course, eroded trust. This P&R and the Chief Executive have been searingly honest about them and much work is underway to make processes more robust and simpler, but sadly, I am starting to question whether the level of trust that Deputy Ozanne harks back to is ever possible again.

4185 The internet, algorithms and AI have put us in a different place. Untruths, fear mongering, doubt spreading and conspiracy theories abound and across the world we have seen the erosion of trust. In such an atmosphere, it becomes harder to make seemingly unpopular decisions, but this issue is not going away. For how many more years can we continue to go around this roundabout? We need certainty. The business community needs certainty. The people of this Island need certainty.

4190 If this policy letter does not carry today, it is not the end of the story. With everything coming down the tracks, tax reform will have to happen. We have to bite the bullet, or this story will continue to play out, consuming resources and energy that desperately need to be directed into delivering for this Island. Do not let us kick this reform into the next Assembly when it really will be one minute to midnight.

4195 Throughout this process I have tried to remain consistent with the principles on which I stood for election. In my manifesto I stated:

Making efficiencies and savings in our public sector should be a continual process.

4200 Even with savings, we will still need to raise money for healthcare, infrastructure investment and rebuilding our rainy-day fund, which are the three things driving our deficit. I will only back fair tax changes that protect or improve things for low and middle earners who are already under pressure. Any system must have safeguards against future increases for these families, and the burden cannot just fall on individuals. We also need to make sure any changes do not hurt Guernsey's competitiveness. I believe the package we have before us, madam, today is consistent with every one of those commitments.

4205 If I have one criticism of our package, it is that I do not believe it goes far enough in rebuilding our revenue reserves. However, it does prevent those reserves from being exhausted within the next five or six years, and that is no small achievement. Is the package perfect? No. No package ever will be. Tax reform is always a matter of balance and compromise. If Members are waiting for the perfect package, it will never arrive, but this package does three things that I believe this Assembly has a responsibility to do. It diversifies our tax base. The value of that alone cannot be underestimated. It improves the position of those on low and middle incomes to enable them to continue to make their homes in Guernsey and it gives us the means to invest in the future of this Island, in healthcare, in education, in growth.

4215 Madam, I urge Members to support this policy letter and let Guernsey move forward with a tax system that is fairer, broader and more sustainable.

Thank you.

The Bailiff: Thank you.

4220 Deputy Rylatt.

Deputy Rylatt: Thank you, madam.

4225 In a debate defined by very strong feeling, I think it is worth remembering, contrary to what you often see online, that most of us are actually very united in our hopes for this Island. (**A Member:** Hear, hear.) We simply have differences in how we believe we should get there and whatever the outcome of today, I do not think that we should lose sight of that. (**Several Members:** Hear, hear.)

Having said that, madam, over the last few days we have heard from some Members who appear to accept that GST may ultimately be necessary but somehow conclude that now is never quite the right time to confront it, as Deputy Leadbeater conveniently leaves the Chamber. (*Laughter*) As

4230 Deputy Leadbeater alluded to, we seem to imagine that a future States will arrive a few years from now armed with all the answers that we want today. They will know what happened with the wind farm, they will know whether or not the Revenue Service got back on its feet, and they will know how our labour market adapted to technological change.

4235 By then, madam, politics will have moved on too. The goalposts will have shifted. There will simply be a new set of uncertainties. We keep comforting ourselves with the idea that the cavalry is coming. Madam, I think it is time we accept we are the cavalry. Former Deputy Fairclough reflected on a similar point in November 2024 during the GST Plus debate when he said:

The time is now. The post-COVID recovery arguments are tailing off. Our blame on conflicts abroad is wearing thin and there is only so much post-Brexit wrangling and money vow preparation you can keep milking in terms of resources and excuses. For sure, the world has changed, but now is the time to take matters into our own hands and decide and define our own destiny as a jurisdiction.

4240 The particular excuses may have changed from Deputy Fairclough's arguments, but the pattern remains. Yesterday, it was COVID, Brexit and international uncertainty. Today it is Pillar Two, the Revenue Service, the wind farm and whatever else may be around the corner. If perfect sequencing and absolute certainty are the standards we set before making a decision, then we will never make one.

4245 Madam, that brings me to what I think is one of our most basic responsibilities as Deputies, the financial security of this Island. We are a small economy exposed to events well beyond our control. We cannot prevent whatever the next economic shock may be, but we can decide how well prepared we are for it. How well prepared are we now? In my view, we are not at all.

4250 Last year's Fiscal Policy Panel report makes that clear through the Core Investment Reserve, effectively, as Deputy Burford alluded to, our rainy-day fund. The policy aim for the fund is to stand at around 100% of general revenue income. Today we are at less than a third of that. The panel said the reserve's current level is, quote:

... substantially below what would be required to support the economy through a serious event, such as a major problem in our financial services industry.

4255 They pointed to crises in other small economies, such as Iceland and Cyprus, where absorbing a shock of that scale has required buffers of around 30% to 60% of GDP. For Guernsey, that would be in the region of £1 billion to £2 billion. The Core Investment Reserve today is below £200 million. Put simply, madam, Guernsey is not financially prepared for a future crisis. If we accept that Guernsey's financial security is one of our first and most basic responsibilities as Deputies, then I do not think we can leave here today without agreeing a credible plan.

4260 If and when things next go wrong, I genuinely hope we are able to look back on today with gratitude that we met the moment. Like so many others, I am not happy with every detail, and I do not believe the sequencing of these reforms has been perfect, but as I said at the resumption of this debate, we have to be more than a debating society. We have to be more than a think tank on this issue. We must be ready to part with the inertia that has held back successive Governments.

4265 Madam, with some trepidation, but I believe with the best interests of current and future generations at heart, I will be supporting this package.

The Bailiff: Thank you.

4270 Deputy Bury.

Deputy Bury: Thank you, ma'am.

4275 This has been an incredibly difficult decision. There are strong, valid and deeply felt arguments on both sides of this debate. My concerns about voting against the package have been the impact on the major investments we need to make in the likes of housing, the hospital and the harbour.

I am also concerned about likely cuts to vital health services and financial support schemes relied upon by many of the lowest income members of our community.

My concerns about voting for the package have centred on the capability of our systems and Revenue Service to collect a new tax, its impact on smaller businesses and on those with middle and lower incomes despite the proposed mitigations, but my greatest concern has been one of fairness. Have we really turned over every stone and asked those who can afford to contribute more to do so before asking those who simply cannot?

What to do? I have said before that when I find arguments on both sides almost equally compelling, the only thing I can do is return to my principles and let them guide me, and that is what I have done here. Like others, I have returned to my 2025 manifesto and in that I said:

The weight of funding essential services cannot keep falling on the same shoulders. I support practical fair tax solutions. That may mean GST, but first I want to see Corporate Tax reform and the closure of Income Tax loopholes. Everyone should contribute their fair share.

I break that statement down. First, Corporate Tax reform; has that been achieved? In part, yes. Perhaps not in the format I expected, but like Deputy Parkinson has, I can accept that progress has been made. The package proposed by P&R raises more from corporates than we receive today.

Second, the closure of Income Tax loopholes. Some work has been done in this area, but the tax cap, which I do not believe is fair, remains in place. I know there is an intention to review it, but I would have preferred that work to form part of this package. There are other loopholes which I am told cannot be addressed because of international obligations or are not worth pursuing financially. On this point, no, I do not believe loopholes have been tackled satisfactorily.

Finally, the principle that everyone should contribute their fair share. This is what I was trying to achieve with my amendment on wealth taxes and why I supported most of Deputy Goy's amendments in this area, but it is clear there is little appetite even to consider taxing the enormous wealth that exists on this Island.

Working through the issue in this way has led me clearly to my decision. My principles and the criteria I set out before seeking election do not allow me to support the tax package at this time. However, there is one thing I want to be absolutely clear about. This decision has nothing to do with my confidence in P&R, nor has it been driven by the anti-GST campaign. I am all for public activism and engagement. It was a key part of my own journey to this Chamber, but I am also strongly in favour of respectful process and dissent.

Some of the behaviour displayed both inside and outside of this Chamber has frankly been appalling. The misinformation, personal attacks, aggression and abuse I have experienced and witnessed concern me greatly. At times it has made me worry that we are drifting towards the increasingly polarised politics we see elsewhere. And, if I am honest, it very nearly pushed my vote in the opposite direction on several occasions.

So let me state this clearly. I will not be pressured into a decision, I will not be bullied into a decision, and I will not be intimidated into a decision. The argument that I will not vote for you again if you vote for this simply does not work on me and I hope it does not work on others. All that creates is a culture of populist politics where decisions are made with eyes fixed on the next election and decision-making driven by self-interest, not the public interest.

Of course I take into account public opinion. Every elected representative should, but we cannot be driven only by the loudest voices. Our responsibility is to weigh public opinion alongside the evidence, the long-term consequences of our choices and our judgement about what is best for Guernsey. Having done those things and having measured this package against the principles I set out when I sought the public's vote, I cannot support it today.

Thank you, ma'am.

The Bailiff: Deputy Montague.

Deputy Montague: Thank you very much.

It is quite hard going late in a debate, especially with only five minutes. I just do need to put a couple of things on record. I am not going to be repeating, madam, what some of my colleagues have said. I will be supporting this tax package for a whole number of reasons.

4330 Before last year's election, I made it reasonably clear that I was in favour of broadening our tax base. I was not against the consumption tax. I know this because four years ago one of my students working on a very interesting thing about the ethics of tax engaged very gratefully to you, sir. You offered her some help, Deputy McKenna, and thank you very much to Deputy Helyar as well, who came into school.

4335 That was my first introduction to debates about this, and I began to realise pretty quickly that it was going to become a very contentious issue. But I think the most important thing we need here is to broaden our tax base and get ourselves into some fiscal resilience, and that is why I am supporting this. I understand that there are issues about fairness. I believe some of the protections, particularly that Amendment 55 has put in place, will do a lot of that work.

4340 I think Deputy Collins was saying that P&R have convinced 15 of us to support it. I would like to say to Deputy Collins, through you, madam, that actually I was there first; so maybe P&R are just following me. *(Laughter)*

4345 Many jurisdictions have a consumption tax, and many people who are opposing it here today also know that it works and it makes sense. We cannot let our financial reserves disappear. That will be a betrayal of our Island, a completely un-Guernsey thing to do, to bury our head in the sand. I would like to address some of the issues where people have been saying, "Oh, politicians do not listen". Well, I have listened. Some of the things people have been saying are, "Well, we cannot trust this because P&R were against anything with GST and now they are for it". But the two previous P&R Committees also were for tax policies that had consumption tax in. This P&R have come in and they have done the work, and I was shocked yesterday to hear people shouting "traitor" at Deputy Parkinson, and I had to remonstrate with them. It is perfectly acceptable to change your point of view when you receive evidence and when you analyse what is going on.

4350 The other thing they have been saying, and I would like to pick up on what Deputy Bury said, that we should be looking at wealth tax. Before the election, they had an amazing presentation by the previous board of tax experts, and the presentation was very clear about wealth tax, and everything I have studied since reinforces this viewpoint. You see some wealth, you think, "Great, let us tax it, because they have got broad shoulders and can pay it". So you go away and you devise your wealth tax and you return to the wealth and it is gone because it is slippery. Just to be clear, I am not saying wealthy people are slippery; I am saying the wealth is slippery.

4355 But do you know what they cannot avoid? They cannot avoid consumption tax, and they spend a lot of money. So I think to say – and yes, we have got to be careful that the burden does not fall on those people least capable of paying, but when the previous policy was called GST Plus I kept saying, "Stop calling it GST and concentrate on the Plus". The Plus is doing a lot of heavy lifting. The whole of the tax package here is doing a lot of heavy lifting.

4360 Let us get to some of the complaints. People say, "Well, you raise taxes, it will just feed the beast". It is our job in our Committees to make sure that does not happen. My Committee is blessed. We have got a waste-seeking missile in Deputy Curgenvén. We must make sure on our Committees we do not do this. We do not allow the headcount to go up, Deputy Inder. We must drive it down of civil servants.

4370 But also, let us not fall into this lazy drain-the-swamp populism, "There are zillions of civil servants wasting our money". What I have seen in my mandated area is civil servants working very hard with high levels of professionalism. It does not mean there does not need to be a reorganisation, and I think we have begun to get the CEO in place who can begin to do this.

4375 Folks, we are running a Government on an Island the size of Tunbridge Wells; 65,000 people. If you do not want those things, yes, we can give up our independence, but Guernsey people do not want to do that. People say, "You have got to grow the economy first". That is such binary thinking. We can grow the economy, and what Deputy Rochester said is absolutely spot on. We need to

invest in order to grow the economy. Invest in young people and invest in sport and invest in culture. That is my particular area, but it works across the board.

4380 I have not got much time left, so I am just going to cut straight to some of the things I have been saying to people who have been protesting and said to me, "How on earth can you be in favour of this tax?" And I say, "I have been in this role for 14 months, and all I have had is letter after letter, email after email, request after request, 'Why are we not doing this? Why are we not doing that? Why can you not make that service better?'" We need to invest in our services. We need to invest in Guernsey because otherwise we will find ourselves in a very difficult position.

4385 I am going to finish off because I like to, with the words of Edmund Burke, someone emailed it to me this morning:

Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Please support the policy.

4390 Thank you.

A Member: Hear, hear.

The Bailiff: Thank you.

4395 Deputy St Pier.

Deputy St Pier: Madam, I have a declaration of interest. I will be worse off if this package is approved today, all the more so if Proposition 1A is approved. Responding to some of the contributions, Deputy Van Katwyk asked, "If this was your business, what would you be doing?"
4400 Well, with the list of woes that he described, I would certainly be looking for new markets and new revenue streams, which in essence is what this package is seeking to do.

Deputy Montague, if we were Tunbridge Wells, we would, of course, have a consumption tax of 20%.

4405 Deputy Leadbeater, I think, has made the case for supporting this package perhaps better than anyone who supports the package. (*Laughter*) You cannot coherently argue that there will be no cuts and that we must have more resources without also being clear about where those resources are going to come from.

4410 Deputy Falla referred to new sources of revenue, and we should not forget corporates, visitors, the financial services industry through the International Services Entities (ISE) system, and those who will be consuming out of capital are all new sources.

4415 Deputy Helyar spoke of the honesty of Proposition 1A, and of course he is right. It is more honest, and that was one of the reasons that we laid that amendment, and I spoke to that. He also spoke of his own journey of arguing for GST for over two years and having survived that process. Like in many things, Deputy Helyar and I have had a similar journey. I argued for GST in 2015, and I too survived that experience.

Deputy Blin spoke about the experience of those who will have the consequences of GST, but what he did not talk about was the experience of them having higher pay cheques through lower social security and Income Tax.

4420 Deputy Curgenvin is absolutely right, that the mitigations do not prevent GST being a regressive tax, but the package does make the whole tax system more progressive.

4425 There has been much talk of lifting of every stone. Well, Deputy Kazantseva- Miller and I and others tried that with a fairer alternative in 2022, calling and listening to those who wanted every stone lifted, and there have been multiple attempts through this debate, and none of them have found the will to proceed. Indeed, I did that in 2016 to 2020 as a Treasury lead then by raising many taxes, including TRP and extending the scope of Zero-10, and I worked with Deputy Parkinson on

the Tax Review Sub-Committee to find just a little bit more corporate revenue down the back of the sofa. We have indeed been lifting every stone.

I do not want to upset and feel the wrath of a great chunk of the public. I do not want to tax anyone, including myself, more. I do not want to create a new system that costs more for business and Government, and I do not want to increase the tax burden on the economy. But I do want tax reform. That was clear from the manifesto on which I and my party colleagues stood. I do want to help lower and middle income families, and I want to take positive steps to help young people and first-time buyers.

Madam, if Proposition 1A – I want to speak specifically to Proposition 1A, whether it is approved or whether the Members approve or oppose GST, and whether or not Proposition 1 succeeds, please keep in mind that Proposition 1A will strengthen the protections and further improve the position, not only financially for the state between £7 million and £15 million, but also for those at the very bottom of the income scale. Those protections are inflation protected. There is a cap on GST, and it gives us the assurance of a meaningful independent role for the Fiscal Policy Panel.

So, madam, I will be supporting all the Propositions now, including, that have extended from, I think, from four to 16, including those amendments which have been inserted, which I did not support at the amendment stage. I will be supporting the whole package as it now stands.

The former Mother of the House –

The Bailiff: Ten seconds, Deputy St Pier.

Deputy St Pier: Madam, it is now time to come together to get things done, as Deputy Hansmann Rouxel said, and even it is perhaps the right time to call for action this day. *(Laughter)*

The Bailiff: Deputy Laine.

Deputy Laine: Thank you, ma'am.

I agree with both sides on this debate inasmuch as they have all called for us to stop wasting money, and I could not agree more. But we have to inject an element of reality into this. Deputies are lay people. Probably no one in here has run a 5,000-person organisation before and knows how to change culture, or indeed can get into the detail of some of the challenges facing the Government. So, we are reliant on a quality leadership team, and our CEO has made big inroads but he is probably only halfway through changing the structure, which we still do not know what that structure is going to look like in the senior management team. When that structure is changed, they have the gargantuan task of changing the culture of the organisation.

Just take one technical challenge. SAP, our critical system, we know that Jersey price their migration at something like £60 million, it costs them £100 million. What are you guys going to do to stop that happening to us? The answer is nothing. All you could do is delay it, and the alternative is we crash because our system is not supported. There are some realities there.

My issue is that I absolutely, and I had an amendment passed around a new target operating model for the senior leadership, but I am all about getting the professionals below us to execute what we want and what the public want. I cannot emphasise that enough, and I would like to see our CEO moving much faster, because it is all very well us having departures – and some of those departures are welcome – but what about the new people, and how long is it going to take them to get their feet under the desk? It is going to take a long time, and I hate that fact but it is a reality, and it would be lying to the public to suggest anything otherwise.

On the global outlook, in my view in the Trump era, things have never looked so uncertain. Who would have thought that for the past two years we have had talk of war in Europe. I do not just mean Ukraine, but beyond that. There will never be a good time. Now is not a good time, but if we are in a much harder position in two, three years' time and we try and bring this in it will break us, but if we do not we are doomed. We really have to do something.

Then there is the windfall, the Pillar Two. Is that not amazing news? It is a welcome windfall, but if we spend that windfall on an unreformed organisation we end up with neither the money nor the reform. Complete waste. (**A Member:** Hear, hear.)

So I will be supporting the 3% GST, on balance. I do not think I am going to go for 1A and open ourselves up to the larger. I do believe, as Deputy Helyer said, that one day it will be 8%, but I think creating that extra comfort, perhaps, that 5% would do, would perhaps make us more vulnerable to being less effective in getting things done. So I am going to support the 3%, I think, on balance. We cannot delay this decision and we cannot avoid it, and anything else is we are just kidding ourselves and lying to the public.

Thank you.

The Bailiff: Thank you.

Does anybody else wish to speak in general debate?

Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Madam, I felt like I have run out of arguments because it has been six years of this debate for me. But I wanted to draw on a story. A couple of weeks ago, the replica of Nao Victoria came to Guernsey. Nao Victoria and four other ships 500 years ago were the first to circumnavigate the world with Captain Magellan, who did not make it. Stepping on that ship, I felt what we would take to be 500 years ago without navigation, without consultants who could tell you about expenditure projections, what economic opportunities could be. The courage and perseverance it would take those 200 men to step on those boats and sail to completely unknown lands.

Spain at the time was in intense competition with Portugal. It was an age of turmoil, but it was an age of opportunity. We are in a similar age of turmoil. All of the shocks coming our way are not going anywhere. They are going to be worse. Just look at what has happened in the last year alone. Yes, we are past COVID, we are past Brexit, etc., but look what has landed on our global doors in just the last 12 months. Perhaps we have been lucky that those crises have not landed on our shores. Let us keep our fingers crossed.

I think we have had our own Magellan, Deputy St Pier, 10 years ago who put the GST on the table, because he saw that that was the right thing to do all those years ago. I think we had a second Magellan in Deputy Helyar, who I think probably was the hardest position to be in because he stood on a manifesto of anti-GST, came on P&R, very closely looked at the situation and brought forward very difficult proposals and changed them over the several debates, and both survived the election.

We are here today because, again, there were only a couple of swing votes in December 2024, and I was one of them, because I looked – I was part of this journey for four years. I was in very similar positions to many people today who want to keep looking for solutions, who think the stones need to be unturned, etc. I was in that place. In December 2020, I was one of probably only three people who then were the swing votes and made the Deputy Roffey amendment go through. This is where we are today.

We keep going and keep going and keep going, but this is the time to really come together and set this future for Guernsey in the way opening up to the spy silence, conquering part of Latin America – maybe not the best example – but this is what opens up the sustainable opportunities for the future to do things differently, to have the courage to conclude, to make decisions and to move forward. It is really time to move forward the Assembly. We are not going to find some other magic dust anywhere else.

The Bailiff: Who else wishes to speak in debate?

Deputy Goy.

Deputy Goy: Thank you, ma'am.

4530 I would like us to imagine a ladder that a Government takes when it wants to raise revenue, especially when it is in financial difficulty. This ladder, right at the top of the ladder, is broad-based taxes such as GST. A good Government – sorry, I will start with a bad Government first. A bad Government with bad leaders jumps straight right to the top of the ladder and takes hold of the broad-based taxes such as GST, such as austerity, and then imposes it on the people. A good Government, on the other hand, before jumping straight to the top of the ladder, knowing that
4535 whatever that is on top of the ladder will actually impact ordinary people the hardest. And because of that consideration does what it needs to do at the bottom of the ladder first.

What is at the bottom of the ladder? I know I have said this before, but I want to say this again. At the bottom of the ladder there is prevention of Government waste, there are alternative more targeted taxes, and there are economic growth measures. I have spent months, days and nights and
4540 I have, at the expense of spending time with family, created eight amendments, five alternative taxes, and three amendments to enhance Government transparency and accountability so that we can deter future Government waste. Those three amendments, ma'am, were not even debated. This Assembly torpedoed them before they even had their day to be debated among the Members.

4545 **The Bailiff:** Deputy Goy, we are on general debate on the basis of what is before the States to vote on rather than what is not before the States to vote on. So can you concentrate on what we are debating – the Propositions that we are dealing with now?

Deputy Goy: Ma'am, it is all related. I am coming to it. Thank you.
4550 What I am trying to say is we all talk about wanting to do the right thing, wanting to save money, wanting to not waste money. What I am surprised is those three amendments are actually doing exactly that. Those three amendments were even torpedoed and not debated.

We talk about wanting to look at alternatives. When I designed my alternative tax amendments, I gave myself –
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The Bailiff: Deputy Goy, I do not see you moving on from the issue. You need to be talking about the Propositions that are before the States now, not the ones that you have lost. It needs to be relevant to the debate.

4560 **Deputy Goy:** Ma'am, let me tell a story instead then. The States need to raise £100. There are two men in the room. One man has £1,000 in his bank account. The other man has £10 million in his bank account. What GST is, is basically asking £50 from each man. Now, £50 from the man with just £100 in his bank account is a lot of money. You could argue that there are mitigations, meaning to say, you know what, instead of taking £50 from that man with £100, you give him £10 back. So
4565 you are just taking £40. Forty pounds is still a lot of money for the man with £100.

For the man who has got £10 million in his bank account, £50 is chump change, spare change, properly. What I am saying is GST is not fair because at the end of the day, even though it is a broad-based tax and it taxes the rich and the poor, the rich and the poor do not suffer the same consequence. For the man who has got £100 in his bank account, that £50 means that he is now at
4570 a highly disadvantaged situation and that could possibly mean –

The Bailiff: Ten seconds left, Deputy Goy.

Deputy Goy: – he leaves this Island. This is what I am trying to avoid. But, unfortunately, I think
4575 we have – I will leave it at that. I think we all understand the consequence.

The Bailiff: Thank you, Deputy Goy.
Is there anybody – Deputy Le Brun.

4580 **Deputy Le Brun:** I cannot compete with Paul Montague's speech, but I have written something, so I am going to say it.

I can appreciate why this package is being proposed. Last term, I sat as a non-voting member of Employment & Social Security. I was shown the challenges coming down the line, something some current Deputies have not had the perspective of. Fewer people working and paying Income Tax and fewer children are being born. More people are retiring, which is increasing demand on pensions, healthcare and care services. We cannot simply hope that savings alone will solve this.

4590 I am the newest Member in this Assembly, the closest to living in the real world without the security of a Deputy's wage. I am also someone who knows what it is like to live month to month with little to spend, trying to time the weekly shop around the reduced stickers. And when my short time here is over, I will be back in that same boat again. So, I understand exactly why people are worried about a tax reform package.

4595 But I also know I do not want to see services cut that vulnerable people depend on. I do not want us gambling on our children's future on uncertain short-term revenue like Pillar Two, which will change as businesses restructure to be more efficient. Then we are back in here again. I would not consider this if I was not assured that the less well-off would be protected with the mitigations, because these are my own family, my friends and the people who I grew up alongside.

4600 Deputy Van Katwyk gave us a neat analogy about ormering and turning every stone. But if you have ever been ormering, you will know one thing, the tide waits for no man. If all you do is keep turning stones, eventually you will need the inshore lifeboat. (*Laughter*) I think that is where we are heading as the tide rises if we keep putting off difficult decisions.

Deputy Sloan, our resident economist, made a concise point during a Scrutiny hearing. He told us that he favours consumption taxes because they are efficient, that some have wealth, some people have income, but everyone consumes. The challenge for us is making sure that efficiency does not come at the expense of fairness.

4605 We are, on the whole, a wealthy community, but we also have a significant divide. Around 30% of our children attend private schools compared with only 6% in the UK. Yet we also have too many families here who need to use food banks and OLIO. That tells us something about the differences in our circumstances and why we have to accept mitigations to protect lower earners.

4610 If we want to invest in businesses and initiatives to boost the economy and the Island's resilience to invest in infrastructure, to improve quality of life and our children's future, we need sustainable funding. Nobody really wants to cut public services and nobody really wants to pay tax, but we cannot have it both ways. We cannot afford to gamble our Island's infrastructure, services and our children's future on let us wait and see.

4615 **The Bailiff:** Thank you.

Does anybody else wish to speak in general debate? In that case (*Interjection*) – this is why you need to use pen and paper.

Deputy de Sausmarez, on behalf of P&R, seven and a half minutes.

4620 **Deputy de Sausmarez:** Thank you, madam.

4625 As it is seven and a half minutes, I am afraid I cannot respond to every point in debate. But earlier this year, this Assembly agreed that deciding and delivering tax reform was a super priority. Before that, at the start of this term, Policy & Resources committed to both progressing the package agreed by the previous Assembly and to exploring every credible alternative, and we agreed to do the two in tandem because leaving the Island without a plan to place our public finances on a sustainable fitting would have been irresponsible.

4630 Over many years, multiple independent advisers, actuaries, auditors, various iterations of the Fiscal Policy Panel and, most recently, Deputy Parkinson's panel of internationally respected tax experts have all reached essentially the same conclusion. We are running down our reserves, our tax base is too concentrated on income, and we are therefore vulnerable to economic shocks. We

are increasingly dependent on a shrinking proportion of working people to fund the public services and infrastructure that our community relies upon and that our economy requires.

The package before us addresses those issues. It broadens and diversifies the tax base, raising additional revenue from corporates, visitors, and wealthier residents. It improves our fiscal sustainability and resilience. It reduces dependence on taxing work. It delivers additional contributions. Crucially, it lightens the tax burden on many ordinary working households.

This last point has been the most challenging to communicate. The public have understandably focused on GST and naturally worry that they will be worse off. Their fear is sincere and entirely understandable, and they have made their voices heard with heartbreaking clarity. But I would not be putting forward this proposal if it left lower and middle income households worse off overall. This package is carefully constructed to do the reverse. Supporting it would deliver one of the most substantive and progressive changes to our tax system for decades.

So let us take a real world example. Someone working in a shop, say earning £30,000 today, takes home approximately £24,800 after Income Tax and social security contributions. Government takes around £5,200 before that worker ever sees it. Under these proposals, that same worker's take home pay would increase from approximately £24.8K to £26.18. That is an increase in disposable income of around £1,375. That is not modelling by the way; it is simply maths. It is how much more they would have in their pocket as a result of a more generous personal allowance, a 15% standard rate of Income Tax and the introduction of a social security allowance.

But will not GST just eat that up, I hear some say. Well, no, because to accumulate £1,375 of GST at a rate of 3%, our £30,000 a year earner would need to spend close to £46,000 on GST-liable goods and services, i.e. not including rent, health or childcare. It is literally not possible for someone earning £30,000, £40,000 or £50,000 to accumulate enough GST to cancel out the entire benefit of the Income Tax and social security restructure.

How often do we as a Government actually get the chance to put more money directly into the pockets of ordinary working people? These proposals give us exactly that opportunity. It is not the public's job to spend months examining every option, every amendment, every revenue forecast and every trade-off, and to understand what might happen if we take no decision. That is our job. It is our responsibility as People's Deputies to weigh all the evidence and exercise our judgement and leadership sometimes requires us to make difficult decisions.

Seatbelts seem completely uncontroversial today but when that legislation was proposed back in the 1980s there was fierce opposition, major protests and a petition of around 8,000 signatories. A few months ago I received a phone call that every parent dreads. One of my children had been involved in a serious car collision. Later, as I sat with a doctor who explained how much worse the outcome could have been without a seatbelt, I said a little prayer of thanks to those who decades earlier had listened carefully to and understood the significant public concerns but had ultimately voted according to their judgement of what was in the best interests of the people of Guernsey. They did not choose the easiest path but the path that they felt was the right one, and that is the responsibility that falls upon us today.

Here it is only right to put on record again, because I have done so several times before, that Deputy Helyar earned and has kept my enormous respect for having the courage to go against his original manifesto pledge when the evidence on our financial situation changed his view, as Deputy Kazantseva-Miller mentioned.

So here is my rhetorical question to Members. If we reject this package what then? Voting against Proposition 1 does not simply leave the tax burden sitting too heavily on the shoulders of people who are already struggling to afford it. It makes that burden heavier because social security contributions are set to continue to rise each year to 2031 without any of the relief that is built into this package. Not one alternative has secured majority support. We have considered 59 amendments over six days. We have considered two sursis and rejected them both. We have explored every alternative that has been put forward. Members suggestions have been incorporated democratically.

The alternative is not a better package waiting just around the corner. The alternative is nothing. It means returning to square one. It means stasis on what we ourselves identified as one of our highest priorities, and it is not a decision that is going to get any easier but while we delay our reserves continue to run down while costs will continue to pile up and we risk handing the same unresolved challenge to the next Assembly and condemning ourselves to repeat a cycle that has already consumed many years.

So I ask Members to think back to just after the election, the aspirations for the term ahead and all the things that we hope to achieve. Now is the time that we must lay this most fundamental foundation. Without a more secure economic outlook our other aspirations are built on sand. Our economy needs greater certainty. We need that certainty and we owe it to our community and to future generations.

Now we know all the reasons why this tax reform is needed –

The Bailiff: Twenty seconds.

Deputy de Sausmarez: – and we know it is not just about increasing revenue, but this debate has also underscored this Assembly's commitment to getting our own house in order, controlling costs and delivering for the people of the Bailiwick, and I very much include Alderney in that. The best way to build back trust with our community is to deliver on our promises, and I hope this Assembly is up for that challenge.

Thank you.

The Bailiff: Members we have come finally to the time to vote. I am going to ask the States' Greffier to put up for the first vote 1a) through to f). That is before you on the SEV. States' Greffier, would you open the voting? Deputy Humphreys, you should not be communicating with people in the public gallery.

There was a recorded vote.

Carried – Pour 22, Contre 17, Ne vote pas 1, Did not vote 0, Absent 0

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

The Bailiff: There voted in relation to Proposition 1: pour 22, contre 17, there was 1 abstention. I therefore declare Proposition 1 as amended has passed.

I am now proposing to deal with 1.1 through to 1.6 as individual Propositions. So I will ask the States' Greffier to put up 1.1 first inserted by Article 58 – I keep calling it Article; Amendment 58.

A Member: Pardon, ma'am. Sorry could you just repeat yourself, please?

The Bailiff: Yes, on the SEV is 1.1. If you are using the paper version it is 1.1, it was inserted by Amendment 58. States' Greffier, would you open the voting on this?

There was a recorded vote.

Carried – Pour 36, Contre 4, Ne vote pas 0, Did not vote 0, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	None	None	None
Burford, Yvonne	McKenna, Liam			
Bury, Tina	Sloan, Andy			
Cameron, Andy	Vermeulen, Simon			
Camp, Haley				
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				
Le Brun, Ross				
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				
Van Katwyk, Lee				
Williams, Steve				

The Bailiff: In relation to Proposition 1.1 as inserted by Amendment 58, there voted pour 36, contre 4. I therefore declare that Proposition has been passed.

We now move to 1.2, again inserted by Amendment 58. We have just got a small technical issue at the moment. On the basis of the voting for the last Proposition is there an appetite for 1.2 through to 1.6 being dealt with as one vote rather than separating out? Is anybody wanting it separate? No. Well in that case we will, when we have got a bit of IT going, have 1.2 to 1.6 together. If necessary we will be going – we are back.

States' Greffier, will you be able to do that, add the 1.2 to 1.6 as one amalgamated? Members you should now have on your SEV 1.2, 1.3, 1.4, 1.5 and 1.6. It was inserted by Amendment 58. 1.2

through to 1.6 have all been inserted by P&R and also we have included on there the 1.7, which is not on the amalgamated paper version I noticed. So 1.7, which is not on the amalgamated paper version, is the subject to introducing an Alderney Essentials Cost Relief Payment. So the numbering is different. Let us just check they are right. So the reason why it is as it is, is because there was a duplication in the amendment proposed and passed by Deputy Camp, which was, if you recall, the same as within the original Amendment 58. That is why it is numbered as it is. It is reflective of the amendments that the Assembly has voted on. It is 1.2, 1.3, 1.4, 1.5, 1.6 and 1.7.

So I will now ask the States' Greffier to open the voting on the Proposition.

Deputy Ozanne: Sorry, ma'am, the paper version I am looking at 1.6 is different. I would like that to be separate, so I would not want them all to be amalgamated.

The Bailiff: Right. The one starting:

Subject to the following a) the Policy & Resources Committee ...

you want that – States' Greffier, I am terribly sorry you are going to have to separate them out again. (*Interjection*) I am sorry, Deputy Ozanne?

Deputy Ozanne: I think a lot of people are looking at 1.6 on the paper and 1.6 on the screen is very different.

The Bailiff: Yes, we are asking the States' Greffier –

There was a recorded vote.

Carried – Pour 38, Contre 2, Ne vote pas 0, Did not vote 0, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	None	None	None
Burford, Yvonne	Sloan, Andy			
Bury, Tina				
Cameron, Andy				
Camp, Haley				
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				
Le Brun, Ross				
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

4765

The Bailiff: There voted in relation to Proposition 1.2: pour 38, contre 2. I therefore declare that Proposition has been passed.

Would you kindly put up the next Proposition please, States' Greffier? Members, you now have Proposition 1.3 as inserted by Amendment 58 before you. States' Greffier, would you open the voting on that, please?

4770

There was a recorded vote.

Carried – Pour 36, Contre 4, Ne vote pas 0, Did not vote 0, Absent 0

4775

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	None	None	None
Burford, Yvonne	McKenna, Liam			
Bury, Tina	Sloan, Andy			
Cameron, Andy	Vermeulen, Simon			
Camp, Haley				
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				
Le Brun, Ross				
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				
Van Katwyk, Lee				
Williams, Steve				

The Bailiff: There voted in relation to 1.3: pour 36, contre 4. I therefore declare the Proposition has been passed.

4780 1.4, please. You should now have 1.4 on your screens before you. States' Greffier, would you open the voting?

There was a recorded vote.

Carried – Pour 36, Contre 4, Ne vote pas 0, Did not vote 0, Absent 0

4785

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	None	None	None
Burford, Yvonne	McKenna, Liam			
Bury, Tina	Sloan, Andy			
Cameron, Andy	Vermeulen, Simon			
Camp, Haley				
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				
Le Brun, Ross				
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				
Van Katwyk, Lee				
Williams, Steve				

The Bailiff: There voted in relation to Proposition 1.4 as inserted by Amendment 58: pour 36; contre 4. I declare that Proposition has been passed.

4790 The next Proposition please, States' Greffier. You now have Proposition 1.5 inserted by Amendment 58. States' Greffier, would you open the voting, please? There seems to be a lot of problems with this vote; I think is it just needing refreshing? In fact it was just delayed coming through, here we have it.

There was a recorded vote.

4795

Carried – Pour 35, Contre 5, Ne vote pas 0, Did not vote 0, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	None	None	None
Burford, Yvonne	Kay-Mouat, Bruno			
Bury, Tina	McKenna, Liam			

Cameron, Andy	Sloan, Andy
Camp, Haley	Vermeulen, Simon
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	
Kazantseva-Miller, Sasha	
Laine, Marc	
Le Brun, Ross	
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	
Van Katwyk, Lee	
Williams, Steve	

4800 **The Bailiff:** Proposition 1.5: pour 35, contre 5, I therefore declare the Proposition has been passed.

Members, we are going to need to go manual. We are now on 1.6, which is the Alderney Essentials Cost Relief Payment. We are going to have to make absolutely sure that we are all talking about the same amendment now because we are not going to have the advantage of SEV, but this is how we used to do it in the old days. Those of us who were a little bit unsure about SEV when it first came out realise what a great invention it was when it worked.

Yes, Deputy Van Katwyk.

4810 **Deputy Van Katwyk:** Are we sure that Proposition 1 was counted correctly? *(Laughter)* Just checking. Are we sure?

The Bailiff: Now we are going to deal with 1.6, which I shall read out to make sure everybody is talking about the same Proposition.

subject to introducing an Alderney Essentials Cost Relief Payment that is calculated based on the estimated annual GST incurred by a household on Income Support, the value of the payment being in line with the minimum income standard as priced for Alderney.

4815 States' Greffier, when you –

Deputy Ozanne: Point of order, ma'am. Can I just be absolutely clear, because I can see people looking at the screens? This is not what is on the screens.

4820 **The Bailiff:** No.

A Member: We are not using the screen.

4825 **The Bailiff:** The screen is now not working properly so that is why I have read out the amendment. I know everybody is getting tired, and we have been going on this for a long time, but it is really important – this is, after all, why we are here – that you are listening in terms of this voting. We are dealing with Proposition 1.6, which was inserted by Amendment 58, which I am not going to read out again; to paraphrase is the Alderney Essentials Cost Relief payment. You need to listen very carefully, and please enunciate your vote very carefully otherwise, we will have to revote. So
4830 nice and clear with your microphones on. This is the way we used to do it in the old days, and we will remind ourselves why technology, when it is working, is great, and how when it does not work, it is tricky. States' Greffier, you are also going to have read out your names really clearly.

There was a recorded vote.

4835

Carried – Pour 37, Contre 3, Ne vote pas 0, Did not vote 0, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	Non	None	None
Burford, Yvonne	Sloan, Andy			
Bury, Tina	Vermeulen, Simon			
Cameron, Andy				
Camp, Haley				
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				
Le Brun, Ross				
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				
Williams, Steve				

4840 **The Bailiff:** There voted in relation to 1.6: pour 37, contre 3. I therefore declare the Proposition has been passed.

We now deal with 1A, which starts, "To agree notwithstanding Proposition 1", and there are subparagraphs, little (i), little (ii) and little (iii). We will now deal with that Proposition.

There was a recorded vote.

4845

Carried – Pour 20, Contre 19, Ne vote pas 1, Did not vote 0, Absent 0

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

4850

The Bailiff: There voted in relation to 1A: pour 20, contre 19, there was 1 abstention. I therefore declare that the Proposition has passed.

1B was only on the basis that Proposition 1 did not carry, therefore it will not be proceeded with, so we will go on with – sorry, I really need everybody to keep their voices down. It is really important that everybody hears with what we are dealing with, as we have only got manual ways of dealing with it.

4855

We are now dealing with 2, which is:

To direct that the legislation required to implement any agreed package of tax reforms ...

in relation to Alderney Electricity, etc. We will now deal with that Proposition.

There was a recorded vote.

4860

Carried – Pour 29, Contre 9, Ne vote pas 2, Did not vote 0, Absent 0

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

4865 **The Bailiff:** There voted in relation to Proposition: pour 29, contre 9, and 2 abstentions. I therefore declare the Proposition has been passed.
 We now turn to Proposition 3, which starts with:

To agree that (a), the expenditure reductions assumed within the financial modelling ...

4870 I am not going to read the whole thing out. You have the paper version in front of you. States' Greffier, would you start the voting, please?

There was a recorded vote.

Carried – Pour 36, Contre 4, Ne vote pas 0, Did not vote 0, Absent 0

4875

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Bury, Tina	None	None	None
Burford, Yvonne	Collins, Garry			
Cameron, Andy	McKenna, Liam			
Camp, Haley	Sloan, Andy			
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				
Kazantseva-Miller, Sasha				
Laine, Marc				
Le Brun, Ross				
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				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

The Bailiff: There voted in relation to Proposition 3: pour 36, contre 4. I therefore declare Proposition 3 has been passed.

States' Greffier, does it appear to be working again properly?

The States' Greffier: Is it on your screen?

The Bailiff: Yes. Members, the SEV has now sparked back to life. You have on the screen before you Proposition 4, and I will ask the States' Greffier, with some trepidation, to open the voting.

There was a recorded vote.

Carried – Pour 29, Contre 11, Ne vote pas 0, Did not vote 0, Absent 0

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

The Bailiff: There voted in relation to Proposition 4: pour 29, contre 11. I therefore declare the Proposition has passed.

You now have before you Proposition 5, as inserted by Amendment 55. I will ask the States' Greffier to open the voting.

There was a recorded vote.

Carried – Pour 33, Contre 6, Ne vote pas 1, Did not vote 0, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Camp, Haley	Curgenvén, Rob	None	None
Burford, Yvonne	Collins, Garry			
Bury, Tina	Gabriel, Adrian			
Cameron, Andy	McKenna, Liam			

de Sausmarez, Lindsay	Sloan, Andy
Dorrity, David	Vermeulen, Simon
Falla, Steve	
Gollop, John	
Goy, David	
Hansmann Rouxel, Sarah	
Helyar, Mark	
Hill, Edward	
Humphreys, Rhona	
Inder, Neil	
Kay-Mouat, Bruno	
Kazantseva-Miller, Sasha	
Laine, Marc	
Le Brun, Ross	
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	
Van Katwyk, Lee	
Williams, Steve	

4900

The Bailiff: There voted pour 32, contre 7, and there was 1 abstention. I therefore declare Proposition 5 has been passed.

Proposition 6, States' Greffier, would you open the voting?

4905

There was a recorded vote.

Carried – Pour 27, Contre 10, Ne vote pas 3, Did not vote 0, Absent 0

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

St Pier, Gavin
 Van Katwyk, Lee
 Williams, Steve

4910 **The Bailiff:** There voted in relation to Proposition 6: pour 27, contre 10 and there were 3 abstentions. I therefore declare that the outcome is that the Proposition has been passed.

Members, you now have Proposition 7 on your SEV, inserted by Amendment 25. States' Greffier, would you open the voting?

4915 *There was a recorded vote.*

Carried – Pour 35, Contre 7, Ne vote pas 0, Did not vote 0, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	None	None	None
Burford, Yvonne	Goy, David			
Bury, Tina	McKenna, Liam			
Cameron, Andy	Sloan, Andy			
Camp, Haley	Vermeulen, Simon			
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				
Kazantseva-Miller, Sasha				
Laine, Marc				
Le Brun, Ross				
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				
Van Katwyk, Lee				
Williams, Steve				

4920 **The Bailiff:** There voted in relation to Proposition 7: pour 35, contre 5. I therefore declare the Proposition has been passed.

Proposition 8 inserted by Amendment 55. States' Greffier, would you open the voting?

There was a recorded vote.

4925

4930 *Carried – Pour 34, Contre 4, Ne vote pas 2, Did not vote 0, Absent 0*

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	Camp, Haley	None	None
Burford, Yvonne	McKenna, Liam	Curgenven, Rob		
Bury, Tina	Sloan, Andy			
Cameron, Andy	Vermeulen, Simon			
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				
Le Brun, Ross				
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				
Van Katwyk, Lee				
Williams, Steve				

The Bailiff: In relation to Proposition 8, inserted by Amendment 55, there voted pour 34, contre 4 and there were 2 abstentions. I therefore declare that the Proposition has been carried.

4935 Proposition 9, also inserted by Amendment 55. States' Greffier, would you open the voting, please?

There was a recorded vote.

4940 *Carried – Pour 36, Contre 3, Ne vote pas 1, Did not vote 0, Absent 0*

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	Curgenven, Rob	None	None
Burford, Yvonne	Laine, Marc			
Bury, Tina	Sloan, Andy			
Cameron, Andy				
Camp, Haley				
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
 Le Brun, Ross
 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

The Bailiff: There voted in relation to Proposition 9: pour 36, contre 3 and there was 1 abstention. I therefore declare the Proposition has been carried.

4945 Proposition 10 inserted by Amendment 55. States' Greffier, would you open the voting, please?

There was a recorded vote.

Carried – Pour 30, Contre 9, Ne vote pas 1, Did not vote 0, Absent 0

4950

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

The Bailiff: There voted in relation to Proposition 10: pour 30, contre 9 and there was 1 abstention. I therefore declare that the Proposition has been carried.

Proposition 11, as amended by Amendment 24 and further amended by Amendment 55.

4955

A Member: I have a child, shall I declare an interest in this one, ma'am, or consider it declared?

The Bailiff: If you feel you should declare an interest.

4960

A Member: I will declare my child here.
Thank you.

The Bailiff: States' Greffier, would you open the voting, please.

4965

There was a recorded vote.

Carried – Pour 36, Contre 4, Ne vote pas 0, Did not vote 0, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	None	None	None
Burford, Yvonne	Laine, Marc			
Bury, Tina	Ozanne, Jayne			
Cameron, Andy	Sloan, Andy			
Camp, Haley				
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				
Le Brun, Ross				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
McKenna, Liam				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

4970

The Bailiff: There voted in relation to Proposition 11: pour 36, contre 4. I therefore declare the Proposition has been carried.

Proposition 12, as inserted by Amendment 43. States' Greffier, would you open the voting please?

4975 I think we are going to need to go back to manual. In relation to Proposition 12 we are going to go on a manual vote. The votes that have been cast on SEV will be disregarded and we will do the whole thing by manual vote.

There was a recorded vote.

4980 *Carried – Pour 22, Contre 13, Ne vote pas 5, Did not vote 0, Absent 0*

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

The Bailiff: In relation to Proposition 12 there voted pour 22, contre 13, and there were 5 abstentions. I therefore declare that the Proposition has been carried.

4985 Proposition 13, which is:

To direct the Policy & Resources Committee to take all such steps as are necessary including, for the avoidance of doubt, consultation with the Lord Chancellor ...

etc. in relation to the Office of Lieutenant Governor and whether or not he should pay tax. States' Greffier, if you would commence the voting please. Again, can I ask everybody to keep your voices down so that we can hear very clearly where people are voting or how people are voting rather.

4990

There was a recorded vote.

Not carried – Pour 17, Contre 17, Ne vote pas 6, Did not vote 0, Absent 0

4995

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

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

The Bailiff: Pour 17, contre 17, and there were 6 abstentions, therefore the Proposition has not carried.

Deputy Matthews.

5000

The Bailiff: Madam, could I just remind Members in respect to Proposition 14, because it does not say on the sheet that I have, that this was the one originally inserted by Amendment 23, for those Members who may be considering, as I am, their vote.

5005

Deputy St Pier: Madam, may I ask for a re-vote on the previous item?

A Member: No.

5010

The Bailiff: Yes, you are entitled to ask for a re-vote, Deputy St Pier. Again, nice and quiet within the Chamber because, see on a knife edge, that we really need to hear what those votes are. States' Greffier, when you are ready. Sorry, can we keep the – well, there we are. We can have an SEV vote on Proposition 13, which is the same one we have just taken the old style vote on. I will ask the States' Greffier to open the voting. So this is the same vote as we have just done, but now on the SEV. States' Greffier, would you open the voting?

5015

There was a recorded vote.

Not carried – Pour 17, Contre 17, Ne vote pas 6, Did not vote 0, Absent 0

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

5020

The Bailiff: There voted pour 17, contre, 17, and there were 6 abstentions. So it remains that the Proposition has not been carried.

As you will have heard – Deputy Matthews, can you just repeat again your point about the amendment that originally came from?

5025

Deputy Matthews: Yes, madam. That Proposition 14 was originally inserted by Amendment 23, which was the one to limit committee expenditure to inflation, which I mentioned in my speech, and myself and others may be considering their vote on it. The paper that the HM Greffier provided does not specify that.

5030

The Bailiff: Yes, it has been subsequently amended by amendments 29 and 55. So it is Amendment 14. States' Greffier, could you open the voting on that? I am sorry, Proposition 14.

5035

Deputy Ozanne: Point of order, it may be that I am just very tired, but I thought we had amended this with the ESS amendment. *(Interjection)* I am obviously looking at the wrong sheet.

5040

The Bailiff: Right. Can we now vote on Proposition 14, please? Again by SEV. Would you start the voting, please? Can I remind you, Deputy Blin, you should not be communicating with people in the gallery, even members of the BBC.

There was a recorded vote.

Not carried – Pour 15, Contre 22, Ne vote pas 3, Did not vote 0, Absent 0

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

5045

The Bailiff: There voted in relation to Proposition 14: pour 15, contre 22, and there were 3 abstentions. I therefore declare that the Proposition has not been carried.

Finally, Proposition 15. Members, you should have on your SEV now Proposition 15, as amended by Amendment 55. States' Greffier, would you open the voting on this final part?

5050

There was a recorded vote.

Carried – Pour 24, Contre 13, Ne vote pas 3, Did not vote 0, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Burford, Yvonne	Camp, Haley	Blin, Chris	None	None
Bury, Tina	Collins, Garry	Curgenven, Rob		
Cameron, Andy	Gabriel, Adrian	Van Katwyk, Lee		
de Sausmarez, Lindsay	Inder, Neil			
Dorrity, David	Kazantseva-Miller, Sasha			
Falla, Steve	Le Brun, Ross			
Gollop, John	Leadbeater, Marc			
Goy, David	Matthews, Aidan			
Hansmann Rouxel, Sarah	McKenna, Liam			
Helyar, Mark	Niles, Andrew			

Hill, Edward	Ozanne, Jayne
Humphreys, Rhona	Sloan, Andy
Kay-Mouat, Bruno	Vermeulen, Simon
Laine, Marc	
Malik, Munazza	
Montague, Paul	
Oswald, George	
Parkinson, Charles	
Rochester, Sally	
Rylatt, Tom	
Snowdon, Alexander	
St Pier, Gavin	
Strachan, Jennifer	
Williams, Steve	

5055

The Bailiff: There voted in relation to Proposition 15: pour 24, contre 13, and there were 3 abstentions. I therefore declare that the Proposition has been carried. We have now finished the tax debate.

5060

Deputy Camp: Sorry, may I ask a question? I am a little confused, and it might be that I am wrong. If someone can point out where the sequencing amendment is. Are we sure –

The Bailiff: Which one are you referring to as the sequencing amendment?

5065

Deputy Camp: Well, it was in 58. I lodged it separately. I could not locate it. Proposition 1. Did we not do 1.6? This might have been because we moved in between things. I thought we did Alderney and we never did that one.

The Bailiff: Sorry, Deputy Laine, what were you going to say?

5070

Deputy Laine: I just wanted to pay tribute to the IT team that have been working behind the scenes on electronic voting. And just give a little explanation, because it does not reflect on the reliability of SEV. When setting up such a system, obviously we have resources dedicated to us Deputies and resources dedicated to the public who might be wanting to monitor voting. There is obviously unprecedented interest in the way that we are voting today and the system is hosted on Azure and it ran out of resources. So out of normal working hours, both the supplier Cortex and the States of Guernsey team have been working together to get us back up and running. So it is great that they have given up their time to do so.

5075

5080

The Bailiff: Thank you very much, Deputy Laine. That is absolutely right.

Deputy Gollop: I was hoping Deputy Laine would give way so I could pay tribute to the parliamentary staff.

5085

The Bailiff: I tell you what, Deputy Gollop, let us finish the entire day before we say thank you. I absolutely appreciate the sentiment, but let us get this matter done. I am going to first turn to Deputy Collins, who is standing up.

Deputy Collins: Thank you, ma'am.

5090

Just a quick question. The manual votes we have taken, will those be added to SEV?

The Bailiff: Yes, they will be.

Deputy Collins: Because I did not see the last time we voted manually those were added. But they will be added.

5095

The Bailiff: Yes, they will be.

5100 **Deputy Camp:** I do want to repeat, so at the point that that Proposition came up on screen, we moved to *aux voix* voting, at which point it was about Alderney. I do not recall us having voted on that particular one because we switched –

The Bailiff: I do not know which one you are talking about, Deputy Camp.

5105 **Deputy Camp:** We are calling it 1.6, but no version that I have received does it say 1.6.

The Bailiff: We have voted on 1.6.

5110 **Deputy Ozanne:** Ma'am, perhaps I could explain. That was the point at which I asked for separate votes because I saw that yours was included, and that is why I asked the Presiding Officer to make sure everybody was not looking at their screens and was listening to her as to what the vote was about, because it was confusing at the time.

5115 **The Bailiff:** We have voted on the Alderney one.

Deputy Camp: Yes, that is not my point. I think we voted on the Alderney one and that has potentially being confused – I think there is potential confusion between two –

5120 **The Bailiff:** The other amendment was amalgamated into Proposition 1.

Deputy Camp: Proposition 1?

The Bailiff: Yes.

5125 **Deputy Camp:** Not 1.6?

The Bailiff: No, Proposition 1.

Deputy Camp: Sorry, that was the question I have been asking.

POLICY & RESOURCES COMMITTEE

9. Schedule for future States' Business – Proposition Carried

5130

Article 9.

The States are asked to decide:

1. Whether, in noting the urgency to improve supply of Affordable Housing, to be addressed through proposed increased land allocation as a result of the review of the Island Development Plan, they are of the opinion:

a. To vary Rule 30(1) of the Rules of Procedure of the States to the extent necessary to permit a Special Meeting to be held on Tuesday 24th November 2026 to consider P.2026/72 - Review of the Island Development Plan - Development & Planning Authority Recommendations; and

b. To insert, in Schedule 1 of the Rules of Procedure of the States of Deliberation and their Committees, immediately after the line item for 3rd November (Tuesday) 2026 the following line item "24th November (Tuesday) Island Development Plan Special Meeting" .

2. Whether, after consideration of the attached Schedule for Future States' Business, which sets out items for consideration at the Ordinary States Meeting on 21st October 2026, they are of the opinion to approve the Schedule.

The Bailiff: Members, I presume there is not a wish to carry on in relation to the remaining business on the re-amended Order Paper, and that we just go straight to the schedule. Because of course we cannot close the business without a schedule, and all the items that were left from this meeting will be adjourned into next month's meeting. No doubt we will have to do some rearrangement then, because at the moment we have got five statements, and that does not include the two new ones that will go in from the October meeting. I will ask Deputy de Sausmarez, on behalf of P&R, to deal with the Schedule for the future States' Business.

Deputy de Sausmarez: Thank you, madam.

I am sure it is somewhere here in this wad of paper, but I cannot find it. Thank you. But anyway, I do not think there is much to add. It will be lovely to get on to something that is not tax reform, so greatly looking forward to it and hope it is approved.

We need to propose an amendment, I think. Yes, so we are asking, thank you. It is already in there but just to explain. What is a little bit unusual about this is we are proposing that there is a special meeting in order to consider the IDP review. The reason that is important – if anyone wants to know why it is so important, I am sure Deputy Inder will explain. But basically it is important that that one is given time. The last time it took a considerable amount of time. We want to make sure that we do protect it because we have got this backlog of business.

We would be very grateful if Members can please support this, which does mean that we will be back in this Chamber a day earlier than we might have expected before this provision was put in.

Thank you.

The Bailiff: States' Greffier, is SEV working to deal with the schedule?. No. In that case, we are going to have to do this old style.

There was a recorded vote.

Carried – Pour 35, Contre 2, Ne vote pas 0, Did not vote 3, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Goy, David	None	Cameron, Andy	None
Burford, Yvonne	Helyar, Mark		Laine, Marc	
Bury, Tina			Leadbeater, Marc	
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Falla, Steve				
Gabriel, Adrian				
Gollop, John				
Hansmann Rouxel, Sarah				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Le Brun, Ross				
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: There voted in relation to the schedule: pour 35, contre 2. I therefore declare the Proposition has passed.

5165 Members, can I just say that the conduct of this debate has generally reflected very well on this States' Chamber. It has been incredibly long and I think – well, I for one am delighted that there has been a decision made and that we are not carrying on until the early hours of this morning, which we would have done if necessary. So I am grateful for everybody's co-operation at that point.

States' Greffier, please would you kindly close the meeting.

The Assembly adjourned at 6.55 p.m.

5170