



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 25th July 2012

*All published Official Reports can be found on the
official States of Guernsey website www.gov.gg*

Volume 1, No. 6

ISSN 2049-8284

*Published by Her Majesty's Greffier, The Royal Court House,
St Peter Port, GY1 2PB. © States of Guernsey, 2012*

Present:

Richard J. Collas, Esq., Bailiff and Presiding Officer

Law Officer

H.E. Roberts, Esq., Q.C. (H.M. Procureur)
Miss M. M. E. Pullum, Q.C. (H. M. Comptroller)

People's Deputies

St. Peter Port South

Deputies P. A. Harwood, J. Kuttelwascher, B. L. Brehaut,
R. Domaille, A. H. Langlois, R. A. Jones

St. Peter Port North

Deputies M. K. Le Clerc, J. A. B. Gollop, P. A. Sherbourne,
R. Conder, M. J. Storey, E. G. Bebb, L. C. Queripel

St. Sampson

Deputies G. A. St Pier, K. A. Stewart, P. L. Gillson,
P. R. Le Pelley, S. J. Ogier, L. S. Trott

The Vale

Deputies M. J. Fallaize, D. B. Jones, L. B. Queripel,
M. M. Lowe, A. R. Le Lièvre, A. Spruce, G. M. Collins

The Castel

Deputies D. J. Duquemin, C. J. Green, M. H. Dorey,
B. J. E. Paint, J. P. Le Tocq, S. A. James, M.B.E.

The West

Deputies R. A. Perrot, A. H. Brouard, A. M. Wilkie,
D. de G. De Lisle, Y. Burford

The South-East

Deputies H. J. R. Soulsby, R. W. Sillars, P. A. Luxon,
M. G. O'Hara, F. W. Quin, M. P. J. Hadley

Representatives of the Island of Alderney

Alderney Representative B. N. Kelly
Alderney Representative E. P. Arditti

The Clerk to the States of Deliberation

D. J. Robilliard Esq. (H.M. Deputy Greffier)

Absent at the Evocation

Deputy A. H. Adam (indisposé)
Deputy D. A. Inglis (absent de l'Île)

Business transacted

Procedural – Removal of jackets	267
Convocation	267
Tribute to Sir Charles Frossard, KBE	267
Treasury and Resources Department: £2.6 million fraud – Statement by the Minister	269
Questions for Oral Answer	
Low Value Consignment Relief – Cost of judicial review and litigation	275
Operation of service buses – CT Plus operations.....	276
Bus service improvements and changes to routes – public consultation.....	277
Airport Rehabilitation Project – additional costs and potential delays	278
Airport Rehabilitation Project – Lagan Construction signage	279
Waste management strategy – introduction of kerbside recycling.....	280
Household Expenditure Survey – appropriate use of taxpayers’ money	281
Island Development Plan – vision for the Town and Bridge Initiative	281
Length of Question Time – Ruling by The Bailiff	283
Reallocation of Guernsey Potato Peel Society film funding – £50,000	
Tourism media advertising ‘gaps’	283
Reallocation of Guernsey Potato Peel Society film funding – £10,000	
‘Pay per click’ promotional campaign	284
Guernsey Potato Peel Society film funding – £250,000 anonymous donation	285
Addressing the Assembly through the Chair – Ruling by The Bailiff.....	286
Billet d’État XVII	
I. The Foundations (Guernsey) Law, 2012, approved.....	287
II. The Competition (Guernsey) Ordinance, 2012, approved	287
III. The Housing (Control of Occupation)	
(Amendment of Housing Register) (No. 2) Ordinance, 2012, approved	288
Statutory Instruments laid	288
Billet d’État XIX	
I. Election of ordinary members of the Guernsey Overseas Aid Commission –	
Mr T. N. D. Peet, MBE, Mr S. H. Mauger, Mr P. M. Bodman,	
Miss J. E. Moore, Dr N. A. F. Paluch and Advocate T. M. de Nobrega elected.....	288
Billet d’État XVII	
IV. Guernsey Financial Services Commission – 2011 Annual Report noted;	
Accounts for the year ended 31 December 2011 approved;	
BDO Limited appointed as Auditor for the year ending 31 December 2012.....	291
Billet d’État XIX	
II. Requête: Simultaneous electronic voting in the States of Deliberation –	
Debate commenced	301

*The Assembly adjourned at 12.28 p.m.
and resumed its sitting at 2.30 p.m.*

II. Requête: Simultaneous electronic voting in the States of Deliberation – Amended proposition carried.....	308
---	-----

The Assembly adjourned at 4.32 p.m.

States of Deliberation

*The States met at 9.30 a.m. in the presence of
His Excellency Air Marshal Peter Walker, C.B., C.B.E.
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE BAILIFF *in the Chair*]

PRAYERS

The Deputy Greffier

Procedural Removal of jackets

The Bailiff: It is very warm in here, I do not want anyone overheating – gentlemen may remove their jackets. I wish I could! (*Interjection and laughter*)

5

EVOCATION

10

CONVOCATION

The Deputy Greffier: To the Members of the States of the Island of Guernsey, I have the honour to inform you that a Meeting of the States of Deliberation will be held at The Royal Court House on Wednesday, 25th July 2012 at 9.30 a.m. to consider the items contained in Billets d'État Nos. XVII and XIX, which have been submitted for debate.

15

20

Tribute to Sir Charles Frossard, KBE

The Bailiff: Members of the States of Deliberation, it is with sadness that we commence our proceedings today by honouring the memory of Sir Charles Frossard, who died on 15th July.

25

In the tribute which I paid to Sir Charles in the Royal Court last Monday, I said that his death marked the end of an era for one of Guernsey's most distinguished sons of the 20th century. The Island and its people were enriched by Sir Charles' lifetime of selfless service throughout his long career of many remarkable achievements.

30

On Monday, I referred to the considerable contribution which he made as a judge, both in the Royal Court and the Court of Appeal, and I do not propose today to repeat what I said on that occasion. Many other tributes have rightly been paid on behalf of the many people and organisations whose activities were touched by the work of Sir Charles. Today, I will focus primarily on his long service to the States of Deliberation, both as a politician and later as a law officer, then Deputy Bailiff and Bailiff, in a non-political parliamentary role.

35

In total, Sir Charles served as a Member of the States for some 34 years. This period of service was, I believe, unique in that during that time he held six different offices. He was first elected as a People's Deputy in 1958, initially representing St Peter Port and later St Sampson. Sir Charles then served as a Conseiller from 1967 until the end of 1969, when he took office as Her Majesty's Comptroller. He was subsequently appointed Her Majesty's Procureur in 1973, Deputy Bailiff in

40 1977 and finally presiding over this Assembly as Bailiff from 1982 to 1992.

As a Deputy and Conseiller, he served on some nine permanent committees and seven special committees. I will highlight just a few of them. With regard to special committees, Sir Charles was President of the Non-Contributory Pensions and Outdoor Relief Investigation Committee, the findings of which resulted in the enactment of the Supplementary Benefit Law 1971, which
45 remains in force some 40 years later. At the same time, Sir Charles was President of the Island Development Investigation Committee. That Committee's deliberations led to the Island Development Law 1966, a law which was very much tailored to the special needs of this Island and also stood the test of time, remaining in force until quite recently. Of great significance to the Constitution and ongoing prosperity of the Bailiwick, he was a member of the Constitutional Relationships Committee and President of the European Free Trade Association and Economic Community Committee. That latter Committee played an absolutely pivotal role in establishing the Bailiwick's constitutional relationship with the European Economic Community, now the European Union. That relationship was later codified in Protocol 3 to the United Kingdom's
50 Treaty of Accession and I am in no doubt that Sir Charles' strong leadership and political perception was crucial in securing such a beneficial arrangement, not only for Guernsey but, indeed, for all the Crown dependencies.

Insofar as permanent committees are concerned, Sir Charles served on several, including the Insurance Authority and the Education Council. For two years, he was President of the States Advisory and Finance Committee, the senior committee of that day. In that post, he followed in
60 the footsteps of his father-in-law, Conseiller and advocate J E L Martel OBE, a most distinguished politician of *his* generation.

I am told that Sir Charles' advice as a law officer was always clear and unambiguous. I am certain that it would also have been delivered with his characteristic brevity. It is probably fair to say that, given his considerable experience as an elected Member prior to becoming a law officer,
65 he was often in the enviable position of having a greater knowledge of the political issues than the States Members to whom the advice was being proffered. He is remembered as a Deputy Bailiff and Bailiff who presided over both the States of Deliberation and the States of Election with firmness and fairness which, on occasion, would be tempered with subtle humour. In the discharge of all his duties, Sir Charles always displayed absolute fairness and impartiality towards those who appeared before him, which is, of course, an essential requirement for a judge. He lived his life by the highest of standards and expected the same of others. He could, at times, appear critical of those who fell short, but he usually did so in a constructive manner, seeking to encourage them to perform their functions better. He possessed a sharp sense of fun and would frequently lighten the mood with a joke or a jovial quip.

75 As befits this occasion, I have spoken at some length about Sir Charles' outstanding service to this Island as a politician, law officer and presiding officer. However, I must also speak about other areas of his life which were so important to him.

He was educated at Elizabeth College, following which he attended Caen University, but his studies were interrupted at the outbreak of the Second World War, when he enlisted in the Gordon
80 Highlanders. From 1942 to 1946, with the rank of Captain, he served with distinction at the North West Frontier of India with the Chitral Scouts, who I am told still remember him with respect and fondness.

At the end of the War, Sir Charles resumed his studies in Caen, following which he was called to the English Bar and subsequently admitted as an advocate of the Royal Court of Guernsey in
85 1949.

As the son of the Rector of St Sampson, and later Dean of Guernsey for more than 20 years, Canon Edward Frossard CBE, Sir Charles' Christian faith was very important to him. He was a lifelong worshipper at St Sampson's Church. Sir Charles served as Guernsey's representative on the Church Assembly, which later became the General Synod, for some 22 years. He held various
90 Church offices in the Island and served as the Deanery Lay Chairman until September of last year, when his physical health sadly began to deteriorate.

Having been knighted in 1983, he was awarded the KBE in 1992. In 1984, Sir Charles had received the Médaille de Vermeil from the city of Paris and the following year he was made a Knight of Justice of the Most Venerable Order of the Hospital of St John of Jerusalem. In 1990, he
95 received an Honorary Doctorate of Law from Caen University, and in 2000 was made an Honorary Bencher at Gray's Inn in recognition of his considerable judicial qualities and his substantial contribution to the jurisprudence of the Bailiwick, especially our customary law.

For many years, Sir Charles was President of the Indian Army Association and he served as a member of the Council of the British Association of Cemeteries in South East Asia. He had an
100 active interest in the work of the Royal British Legion and the Boys' Brigade, and indeed many

other organisations far too numerous to mention this morning.

In 1950, Sir Charles and Betty Martel were married at the Town Church. They were devoted to each other, and for more than 60 years she supported him unstintingly in all the varied aspects of his life. I am sure I have spoken this morning at far greater length than Sir Charles would have liked – he abhorred long speeches – but our thoughts today are with his wife, Betty, and their two daughters, Marguerite and Jeanne, to whom we extend our sincere condolences. As I said on Monday, I hope that the many tributes that are being paid to him will be some comfort to them in their grief and in the knowledge that the affection *he* showed to his Island is appreciated and is reciprocated by his fellow Islanders.

Members of the States of Deliberation, we remember Sir Charles Keith Frossard, Knight Commander of the Most Excellent Order of the British Empire, Bailiff of Guernsey from 1982 to 1992. Please rise in memory of him.

Members stood in silence

The Bailiff: Thank you very much.

TREASURY AND RESOURCES DEPARTMENT

£2.6 million fraud Statement by the Minister

The Bailiff: Next, Members of the States, I have been advised that the Minister of the Treasury and Resources Department wishes to make a Statement.
Deputy St Pier.

Deputy St Pier: Mr Bailiff, Members of the States, it is my unenviable responsibility to inform you that, unfortunately, the States has fallen victim to a significant fraud.

On 10th July, my Department was notified that a legitimate payment of £2.6 million, which was contractually due to Lagan Construction in respect of the runway refurbishment contract, was paid to a third party and not to Lagan Construction. This resulted from the Department receiving a fraudulent letter that purported to be from Lagan Construction, advising of a change in their bank account. These instructions appeared to be genuine and the Department made the change to its systems. So, when due, the next monthly payment was fraudulently paid to the third party's account and not to Lagan Construction.

Sir, Members of the Assembly and members of the public will, like me, quite rightly be angry and no doubt have many questions. How could this have been allowed to happen? Could it happen again? Do we know who is responsible? Can the funds be recovered? How long have we known? And so on... The purpose of this ministerial statement is to start to address some of those questions.

My Department does, of course, have internal controls in place. Clearly, these were inadequate in preventing this particular fraud from occurring. The internal controls were immediately changed to prevent a recurrence. The Police were immediately notified and are leading a criminal investigation, and my Department is providing full co-operation with this investigation. I cannot provide further information in relation to the investigation as this, quite rightly, is a matter being conducted by the Police, who will no doubt reveal what they can when they can.

Sir, in order to recoup the loss, we will need to trace and recover the funds, and this is never an easy or quick task. At this stage, I can give no indication of the prospects of recovery but, clearly, we will do everything we practically can to obtain recovery of those funds.

My Department also initiated its own internal inquiry, led by the Head of Internal Audit. I was informed of the fraud late on 11th July. I requested a preliminary internal report and this was delivered to me at the end of last week. It was discussed by my board at its meeting yesterday afternoon, its first meeting since the fraud was discovered. On Monday of this week I provided a full briefing to the Policy Council – again, its first meeting since the fraud was revealed.

At my request, the Policy Council has agreed to commission an independent external review. As Members will know, generally it is my ambition to reduce reliance on external consultants, but this is an occasion where an impartial third-party investigation is absolutely essential to preserve public confidence in the ability of my Department and its officers to discharge its functions, and my Department would also welcome the involvement of the Public Accounts Committee, should

they so wish.

165 Sir, the theft of £2.6 million of taxpayers' money is disturbing. It would be bad enough in the best of times, but it is even less bearable in the current fiscal situation, when so much is being done and is expected of every Department to contain and reduce public expenditure.

I hope that Members will agree with my assessment that this matter was best disclosed by way of this ministerial statement and not by press release. (**A Member:** Hear, hear.) Given the timetable of events, today is the very earliest opportunity I have had to bring this matter to public attention. Whilst I would like to be able to fully answer any questions, Members, I am sure, will appreciate that, given the ongoing Police investigation and the limited amount of information currently available, I am very unlikely at this stage to be able to provide full and accurate answers. However, Members of the Assembly and members of the public should be reassured there is no cover-up, there will be no cover-up, but in order to learn the lessons, we must now coolly and calmly direct our anger to understand what happened and what went wrong. In order to do this effectively, we must have openness, transparency and honesty. As much information as can be disclosed without prejudicing the investigations and any actions arising from them will be disclosed as soon as possible.

Thank you, sir.

180 **The Bailiff:** Thank you, Deputy St Pier.

Now, Members of the States, you will be aware that, following a recent amendment to Rule 8 of the Rules of Procedure, it is possible for questions now to be asked. I will read the relevant part of Rule 8 to you:

185 'After the Member...'

– in this case, Deputy St Pier –

190 '... has made the statement,'

– as he has –

195 '... the Presiding Officer shall allow a period not exceeding 15 minutes for questions to be asked within the context of the statement, provided that the Member to whom questions are addressed may decline to answer a question if, in *his* opinion, any answer given by him might be inaccurate or misleading.'

200 On this occasion, I think it would also be inappropriate for any questions to be asked, the answers to which might prejudice either the criminal investigation or any of the other inquiries that are underway, and I invite the Procureur, if it looks as if a question is being placed that I am allowing, to jump up and intercept if he thinks there is any risk that the position of the States might be in any way prejudiced as a result of an answer that might be given.

Mr Procureur, do you wish to add anything to that?

205 **The Procureur:** The position of the States of Guernsey, certainly in terms of potential recovery and also in the position for everybody affected in terms of the independent inquiry which has been announced... very important, but above and beyond both of those things is the need to absolutely maintain the integrity of the criminal investigation and the interests of justice. It may be very difficult for Deputy St Pier to say very much.

210 **The Bailiff:** Yes.

Thank you, Mr Procureur.

It is now very nearly 9.53 a.m. I will permit 15 minutes of questions, subject to those restrictions.

215 Deputy Soulsby, the Chair of the Public Accounts Committee, you have caught my attention. Deputy Soulsby.

Deputy Soulsby: Thank you, sir.

220 I am trying to speak for all of us here when I thank the Minister for ensuring that he spoke to this Assembly first on this serious issue. It is a shocking incident and I am unaware of fraud on such a scale being perpetrated in the Bailiwick before. I am sure my fellow Deputies and the wider Guernsey public share with me the shock and horror that such a fraud could be committed against the States of Guernsey, and while many of our first responses will be to ask who, how, why, where and when, it is incumbent on this Assembly at this crucial moment to have a calm head and

provide a measured response.

225 I appreciate the Minister has had little time to gather all the facts together and that there may be information which the investigative agencies involved have advised that he cannot disclose in public at this stage, but I hope he will answer, as fully as he possibly can, any reasonable questions on this matter.

230 I fully welcome an independent inquiry into this matter. Whilst I have not –

The Bailiff: Is this a statement, Deputy Soulsby, or is this a question? What are permitted are questions. What we cannot do is go into (**Deputy Soulsby:** Fine.) statements or debate, and as time is limited –

235 **Deputy Soulsby:** Well, he asked about whether I would like... be interested... I am just going on to being on the Public Accounts Committee and –

The Bailiff: Okay, so you are replying to *his* question, then.

240 **Deputy Soulsby:** I am, yes.

The Bailiff: Well, if you could do so briefly; otherwise, time is limited for questions. There may be others who have questions that they wish to ask.

245 **Deputy Soulsby:** Sadly, this highlights a recent case in finding that there is no overarching risk-management strategy within the States' administrative structure. Obviously, it is too early to be apportioning blame for this sorry episode, but can the Minister assure this Assembly that, following a thorough inquiry and review, States employees and officers whose failings are found to have contributed to this will be treated with the utmost severity and not simply moved to another post?

250 Finally, I would like to ask the Minister, at this early stage, is he able to assure this Assembly that the full extent of this loss is known and that this is an isolated incident?

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

The Procureur: Well, sir, no –

The Bailiff: No, not to the second –

260 **The Procureur:** – he cannot assure the Assembly that anybody will be treated in any particular way until the outcome of the inquiry is known.

The Bailiff: Thank you, Mr Procureur.
Deputy Conder and then Deputy Gollop.

265 **Deputy Conder:** Thank you, sir.

Just two questions. Is this loss insured? This is not an unfamiliar fraud – certainly what I have heard of and seen – and are there any systems within Treasury and Resources for recording other similar frauds and making sure that that cannot be perpetrated on *our* Department? I wonder if there are any safeguards to pick up this sort of fraud. If there had been, maybe this may not have happened.

270 **The Bailiff:** Mr Procureur.

275 **The Procureur:** The first of those matters is still under consideration and it would be unwise, in the interests of the States, to explore it in public at this particular time. The second I imagine the Minister is well placed to answer.

280 **The Bailiff:** Deputy St Pier, do you have controls in place to see whether other similar frauds may have occurred?

Deputy St Pier: Clearly, one of the most important aspects arising from this is going to be the quality of our internal controls. I would be very reluctant at this stage to say that the internal controls that are there are bulletproof because, clearly, that has not been the case. That is a very

285 important piece of work that needs to be done. We need to understand what went wrong so we can understand what needs to be changed for it to be put right.

So, yes, again as I referred to in my statement, changes have been made to the existing procedures, but clearly both the work of the Head of Internal Audit, plus the third party review, I would very much hope will focus on that whole area.

290 An issue to which Deputy Soulsby referred in her question, in terms of the adequacy of resources that we do have in the Internal Audit function, as well, may well be another aspect of this whole inquiry that we do need to address as a States collectively.

295 **The Bailiff:** Deputy Gollop.

Deputy Gollop: My question was also internal, and I appreciate you may not be able to fully answer this, but will you, as a matter of policy for the future – or procedure, rather – be looking towards, when a sum of money is above a certain figure, having direct interconnection with a senior figure from the recipient of the money that you can perhaps identify through encoding or
300 phone call or video phones, so that you can trust the recipient of the States' money for larger quantum of cash?

The Bailiff: Deputy St Pier, are you able to answer that?

305 **Deputy St Pier:** Yes, I am happy to answer that – well, I am happy subject to the fact that I am reluctant to disclose publicly exactly what our internal controls are, for obvious reasons. Suffice to say that the sorts of things which Deputy Gollop is raising are, again, perhaps self evident, and those are the sorts of things that very much have been addressed as part of the changes which have already been made but, again, referring to my previous answer, will form the subject of the other
310 inquiries that need to consider the adequacy of controls going forward.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Yes, thank you, sir.

315 Could I ask the Minister a simple question: was direct contact made with Lagan before the payment was made in regard to these changes of arrangements?

The Bailiff: Is that a question you are able to answer at this stage, Deputy St Pier?
320 Mr Procureur.

The Procureur: I do not, obviously, know the answer to that. Therefore, I do not know the circumstances and whether revealing the answer would present any dangers.

325 **The Bailiff:** Yes, it is a question that, potentially, could disclose an answer that might prejudice further investigations.

The Procureur: And so I will suggest that the Minister is cautious.

330 What one has got to be absolutely clear about here, Members of the States, is a lot of Members of this Assembly were elected on a ticket of openness and transparency and all that sort of stuff, and it is all very laudable, but what one has to do is, at all costs, to protect the interests of justice and the interests of the States of Guernsey, and what the Minister has indicated very clearly is that everything that can be revealed will be revealed as soon as it properly can be revealed, so I would ask for some patience.

335 **The Bailiff:** Deputy St Pier, are you able to answer that question without any risk of prejudicing the investigation?

Deputy St Pier: I think, in view of the Procureur's advice, I am reluctant to do so. I think it would be unwise to do so.
340

The Bailiff: Thank you.
Deputy Fallaize.

345 **Deputy Fallaize:** Thank you, sir.
I am sure it is unwise for us to try to unpick the details of the fraud, not least because of the

case that is ongoing; however, what this Assembly can offer is political scrutiny. Clearly, what has happened here is a very unsophisticated fraud. Does the Minister accept that *his* board... although this may be an operational matter and although the fault may be at an operational level, does the Minister accept that he, as Minister, and his board, carry full responsibility for everything that happens in their Department; and if they do, and bearing in mind the commitment of this Assembly to the principles of governance and to making accountability real, what do he and his board intend to do to submit themselves to the fullest level of accountability?

The Bailiff: Deputy St Pier.

Deputy St Pier: Deputy Fallaize, thank you for your question. I think it is fair – and to be honest, it is not unexpected. There will, quite clearly, be some people who say that heads must roll on this, and that outcome may well produce some short-term satisfaction, but does not, of course, of itself actually help the situation.

I think there are three levels of accountability here. There is criminal accountability, there is political accountability and there is staff accountability. Criminal accountability is obviously a matter for the Police as the investigating authority and for the law officers as the prosecuting authority, and anybody who is criminally responsible for this matter should – and if there is sufficient evidence, I am sure will – be prosecuted.

When it comes to political accountability, which is the subject of your question, like many in this Assembly, as the Procureur referred to, I stood for election in April frustrated at the apparent lack of accountability and responsibility within Government, so let me be clear in response to your question: I do not subscribe at all to the view expressed by some in the past that ‘Minister’ is just a title because all members of the board are equal. Whilst that is technically correct under our system of government, the public – quite rightly, in my view – see the Minister to be the head of a Department. I receive the pay and rations of Minister, and as such I willingly put myself forward and accept the responsibility that goes with that. Ultimately, therefore, the buck stops with me. I am responsible for the conduct and the affairs of my Department, but that fact does not and should not of itself mean that my head is the first to roll if anything goes wrong in my Department.

The reason that this is not a political resignation issue is that politicians have had no role whatsoever in getting us to where we are. The payment was legitimately due under a valid contract that had been properly approved. There is no policy issue here. This was purely an operational failure. No politician from my board, or indeed from Public Services as the project’s sponsoring Department, was or needed to be involved in the payment process. None of us had any knowledge of this payment. None of us had any knowledge of the change of bank details. None of us knew or had been given any reason to suspect that we had any weaknesses in our internal controls. As we had no knowledge, we could not have actually done anything to prevent the fraud, and in a piece of ironic timing, my board was actually receiving, as part of its induction, a presentation from the Head of Internal Audit on 10th July, at the very time the fraud was being discovered, and part of the board’s questioning was around the adequacy of resources for that function.

My conduct, and indeed I think that of all of us, should actually be judged not by the fraud itself but actually what we now do in response, now that we have actually got knowledge of it – are we fit and capable to deal with it – and that, I think, is a matter of confidence. I am pleased that the Policy Council unanimously affirmed its confidence in the Treasury and Resources Board yesterday at its meeting, and I hope that we do retain the confidence of other Members of this Assembly.

My role and my duty now – and, in fact, that of the Board and ultimately all of those involved in the scrutiny function – is to ensure that, firstly, we *understand* what went wrong and, secondly, that the States learns the lessons that clearly need to be learnt, and that really is about ensuring the third level of accountability: staff accountability. If the investigation reveals staff misconduct or staff incompetence, then action must be taken, but that has got to be dealt with – and I think Deputy Soulsby referred to this – in a cool and calm, in a proper and professional manner, not in a knee-jerk desire to see heads roll. Otherwise, to be honest, we can just simply add the expectation of an unfair dismissal claim to our list of problems.

As I said in my statement, there will be no cover-up. That is not in my interests, it is not in the Board’s interests and it is certainly not in the taxpayer’s interests. My Board is not actually, of course, the employer of the staff in my Department. That is a function which is undertaken by the Policy Council, and as a member of the Policy Council, part of my responsibility and, indeed, that of all the Ministers, is to ensure that if the investigations do actually reveal that any action should be taken against staff, then that action is taken.

The Bailiff: Deputy Brouard and then Deputy Brehaut, and then probably 15 minutes will be up.

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

Minister, the fraudsters will probably try again, or have *already* tried again, having been successful the first time. Is there any direction or guidance today to prevent a second fraud, and are all Departments aware of the need, of the different types of frauds that are going on at the moment, and is there anything in place now to prevent one happening as we speak? I would hate to be caught twice, sir.

415 Thank you.

The Bailiff: Deputy St Pier, can you answer that without disclosing details of the controls that are in place?

420

Deputy St Pier: Yes, sir. As indeed would I. I can only really refer to the answers I previously gave and to the statement I gave. Internal controls have been changed to prevent a recurrence. The adequacy of those changed controls, the adequacy of all the other controls which exist in my Department and elsewhere and in the whole payments process, has to be the subject of the prime focus and the prime subject of the external review which the Policy Council has agreed to commission.

425 So, as in response to Deputy Conder's question earlier, I cannot give you a cast-iron assurance – it would be foolhardy and misleading of me to attempt to do so – but it is a valid question and that very much is part of where we need to go next with this whole inquiry.

430

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

435 I apologise if the Minister dealt with it in his preamble; I did not hear it. Were T & R *made aware* of the fraud, or did T & R discover the fraud?

The Bailiff: Deputy St Pier.

Deputy St Pier: T & R were notified.

440

In essence, it became apparent that the payment had not been received by the legitimate party, and therefore it came to our attention in that way.

The Bailiff: Deputy Storey – and this will be the last question.

445

Deputy Storey: Thank you, sir.

Whist it is quite right and proper that we involve ourselves in detailed investigations regarding *this* fraud, what concerns me is that, quite evidently, this sort of fraud was not addressed by the existing risk register, and what concerns me is not necessarily that we will effectively concentrate all our resources on chasing up this particular problem, and what I think is also necessary for T & R to undertake is a full review of the risk register and the potential risks for problems elsewhere because Treasury operations are, by their nature, very complex but also very immediate. I would hope that the Minister could assure me that a full review of the risk register pertaining to Treasury operations will be undertaken alongside this investigation.

450

455

The Bailiff: Deputy St Pier, time has run out – can you answer it briefly?

Deputy St Pier: I will answer briefly. Again, really, in response to Deputy Brouard and Deputy Conder, I think the point is well made and is valid. I think all the inquiries – the Internal Audit one, the external one and, if PAC take an interest – I think very much need to be focused on that area as well. Indeed, the terms of reference for the external review is a matter which the Chief Minister will be involved in. It would be inappropriate for me, as the Minister for Treasury and Resources, to set the terms of reference of the external review, clearly, as it is principally a review of the function of my Department, and so I am sure the Chief Minister will have taken that point on board as well, sir.

465

The Bailiff: Thank you very much. That concludes the Statement.

470

Questions for Oral Answer

The Bailiff: We now move on to Question Time, properly called.

475 There are a number of Questions this morning. May I just remind Members that there is provision, under Rule 6, for Questions to be asked for written reply. It seems to me that it may be that some of the Questions that have been asked on this occasion could perhaps have been asked through Rule 6, and I think that, during this part of the induction programme, Members were encouraged to take full advantage of Rule 6 Questions, and I would just encourage them to do so in the future.

480 Luckily, we do not have a particularly busy meeting today, but the Rules only allow 30 minutes for Question Time and we are in danger, I think, this morning, perhaps of overrunning that time.

485

COMMERCE AND EMPLOYMENT DEPARTMENT

Low Value Consignment Relief Cost of judicial review and litigation

490 **The Bailiff:** So, the first Question is one to be asked by Deputy Gollop of the Commerce and Employment Minister.
Deputy Gollop.

495 **Deputy Gollop:** I will have to be speedy, but this Question actually arose out of a statement I heard from the States of Jersey, and it is to Deputy Stewart.

Is the Commerce and Employment Department able to inform, at this stage, the States Assembly of the likely total costs for the States of Guernsey, including United Kingdom legal fees, of the recent LVCR – Low Value Consignment Relief – judicial review and litigation efforts, some of which were conducted jointly with Jersey?

500

The Bailiff: Deputy Stewart, the Minister for Commerce and Employment Department to reply.

505 **Deputy Stewart:** Deputy Gollop, in making the decision to seek judicial review of the decision to disapply LVCR in respect of the Channel Islands, the Law Officers' Chambers anticipated that the legal fees would be in the region of £60,000 – that is, based on cost estimates received – however, the total invoices received amounted to £65,652.92. That was in respect of legal fees and £5,000 in respect of consultants' fees for specialist economic data analysis. That was also an unexpected additional cost necessitated by HMRC's evidence, and that was due to the late addition of RAVAS to the case costs, which were over the initial budget estimate.

510

These costs do not include the significant effort from staff at the Law Officers' Chambers, Policy Council and the Commerce and Employment Department who prioritised this work. The Law Officers' Chambers used their in-house lawyers to run the case and to instruct UK barristers to represent the States of Guernsey in court and did not instruct any UK solicitors.

515

As part of the court ruling, the States of Guernsey and States of Jersey were ordered to pay 25% of Her Majesty's Treasury's costs each, which order was made on the application of Guernsey's counsel. This percentage is much lower than would normally be expected in these circumstances, and that was due to a change in the UK's legal argument during the hearing, which the judge accepted meant that the costs awarded should be reduced accordingly.

520

A bill for costs for this amount is yet to be presented and, for these reasons, it is not possible to calculate the entire costs associated with the judicial review. However, this additional cost will be published as soon as it is known.

Thank you, sir.

525

The Bailiff: Any supplementary question?
Deputy Brehaut.

Deputy Brehaut: A supplementary, thank you, sir.

530 Part of the rationale for defending LVCR, other than the principle that Guernsey was entitled to carry out such a practice, was that there were between six, nine, and upper estimates of twelve hundred people employed in Low Value Consignment Relief, and actually with the loss of nine of the companies, unemployment has fallen by 50. Could the Minister give this Assembly an assurance that his Department will carry out more research with regard to labour and absolute numbers of people involved?

535

The Bailiff: I am not sure this is a supplementary arising out of the reply, is it, Deputy Brehaut? The Question concerned –

540 **Deputy Brehaut:** On the border, sir; I appreciate that. *(Laughter)*

The Bailiff: I would say the wrong side of the border! *(Laughter)*

Deputy Brehaut: Okay, yes.

545 **Deputy Stewart:** Thank you, Mr Bailiff.

Deputy Brehaut: Respectfully, Mr Bailiff, I am sorry to stretch every sinew, but could his Department given an assurance that more labour market data will be available when we make decisions like that in the future?

550 Thank you.

The Bailiff: Do you wish to answer that very briefly, Deputy Stewart?

555 **Deputy Stewart:** Very briefly, I think we worked on the data that we had at the time. We have, of course, retained some companies here, as the Member knows. Funky Pigeon – who we are still working with – who are owned by WH Smith, and also Moonpig, still retain their operations in the Bailiwick. But, of course, working through Skills Strategy and with other Departments, we have tried to cushion the blow that some of the companies that have left the Bailiwick have left us with a small problem, but that seems to have been resolved. Also, it seems that people had this, maybe, as a second and third job and that also lessened the problem for the unemployment figures.

560

The Bailiff: Does anybody have a supplementary question that arises out of the reply that was given earlier?

565

ENVIRONMENT DEPARTMENT

570 **Operation of service buses**
CT Plus operations

The Bailiff: No? Deputy Gollop, then, it is you to ask a question of the Minister for the Environment Department.

575

Deputy Gollop: Yes, sir, there are two here, actually. The first question is: has the Environment Department sought to review and investigate the anecdotal opinions that some service buses are running late or early, or perhaps too fast for local traffic conditions?

580 I am referring to the new company, CT Plus.

The Bailiff: Deputy Domaille, Minister for the Environment Department, to reply.

Deputy Domaille: Thank you, sir.

585 Definitely, the answer is ‘yes’. I will not stop at that, though. *(Laughter)* **(A Member:** Why not?)

While it is always difficult to investigate anecdotal opinions, the Department always takes allegations, such as those highlighted by Deputy Gollop, seriously.

As has already been published in the media, staff in the Department have ridden buses

incognito and have also timed arrivals and departures at the terminus. The contract also requires provision of data to the Department and we, of course, look at that data. We have, as a Board, also met with the operators to discuss operations, since the takeover by CT Plus.

Although Deputy Gollop has not asked the question, I would go on to comment that we are unaware of anything especially untoward and, in general, we believe that the performance of the services is largely consistent with recent years.

The Bailiff: Supplementary? No?

**Bus service improvements and changes to routes
Public consultation**

The Bailiff: Deputy Gollop, do you want to ask your second question?

Deputy Gollop: Yes, please. Thank you, sir.

I do have a supplementary for this one. When will the Environment Department consult with the public concerning potential bus route changes and service improvements and also return to the States with bus service reforms and strategic options?

The Bailiff: Deputy Domaille.

Deputy Domaille: Thank you, sir.

Deputy Gollop asks two questions. The first when will we consult and the second, when will we bring to the States strategic options. These two questions are not really all that closely related and so I will deal with them separately.

In respect of group changes and service improvements, I feel I should point out that the contract was in respect of the published summer and winter timetable. There is no obligation in the contract to enhance the routes. It is a fixed price contract and CT Plus profit is thus linked to its operational costs and its income from passengers, rather than from the States' grant. Therefore, it is clearly in CT Plus' interest to deliver services that meet its clients' needs and hence maximise carryings.

Similarly, it is clearly in the States' interest to provide a cost-effective bus service, which means operating efficient routes. It is, first and foremost, for CT Plus to consult the bus users about route changes and service improvements and then for CT Plus to discuss its proposals with the Department, in order that contractual implications can be examined. CT Plus have already publicly stated their intention to do this, but clearly they cannot do it until they have had time to get a feel for the routes themselves.

CT Plus took over with only a few weeks of the winter timetable remaining and were then launched into the summer timetable with all its variations, the result of schools breaking up etc. We believe that they should be given three full months of the summer timetable to get a feel for things. This time has not yet expired. We would expect CT Plus to be in a position to discuss with the Department any changes it considers are necessary before the commencement of the winter timetable.

On the second issue, the matter of strategic options, Members will be only too aware of the long-term survival of the bus service, the nature of the fleet and the nature and term of the contract let to provide that service all depend on two key factors. Firstly, the availability of land from which to operate the depot; secondly, how the bus services feature within any transport strategy ultimately approved by the States. In respect of the second I gave my undertaking to the States to make the transport strategy one of my priorities and I have set up a political-led working group to take that forward. I would just add that group is led by Deputy Brehaut and Deputy Burford.

In respect of the first, the Department continues to work with other Departments, notably Treasury and Resources, in order to attempt to secure appropriate land.

Thank you, sir.

The Bailiff: Deputy Gollop, do you have a supplementary question?

Deputy Gollop: Yes, sir.

I thank very much the Minister for his full answer and concur that the bus services are operating effectively most of the time. I would however, like to ask two supplementaries. The first

650 supplementary is – the answer is a good one, but does not include a time or date for return to the Chamber and I wonder if there is a date in mind.

The second is, will the Environment Department consult with environmental groups – I declare an interest here – such as the bus users group, Living Streets and perhaps Sustainable Guernsey?

655 **The Bailiff:** Deputy Domaille.

Deputy Domaille: Thank you, sir.

660 Timetable: difficult to give a meaningful timetable, at the moment. In my previous speech when I sought election as a Minister, I said as soon as possible, but in any event within 12 months. We are actually having a presentation to the Board at our next meeting from Deputy Brehaut and Deputy Burford, which will be setting out a timetable of where we are going. I am very confident that it will be delivered within the 12 months and hopefully sooner, but until we have gone through that process, I cannot be sure.

665 Secondly, with regard to consultation, again, the project group is coming back with its recommendations. Those recommendations will include consultation and will include consultation with all interested groups.

Thank you.

670 **The Bailiff:** Yes. Deputy Fallaize.

Deputy Fallaize: A supplementary question.

675 Is the Minister able to advise whether his Department at this early stage is working with T & R to try to ensure that, whatever policy is included in the strategy, is backed up with secure funding to try to avoid what happened last time, when the Environment Department came forward with a series of policies, but were not able to secure funding from T & R to deliver those policies?

The Bailiff: Deputy Domaille.

680 **Deputy Domaille:** At this stage, sir, it is a little early to be talking to T & R about funding, but I do give an undertaking that whatever proposals come back to the States, *will* be evidence based, *will* be factually based and they will highlight the funding that is necessary.

685 **PUBLIC SERVICES DEPARTMENT**

**Airport Rehabilitation Project
Additional costs and potential delays**

690 **The Bailiff:** Any more supplementaries? No? Well, then, the next question is to be asked by Deputy David De Lisle of the Minister for the Public Services Department.

Deputy De Lisle: Thank you, sir.

695 I would like to ask three questions, actually, to the Minister of Public Services. Some of them deal with accountability with respect to the Airport project.

What entitlements have Lagan, the company undertaking the Airport rehabilitation project, to claim additional costs for delays, cancelled shifts, construction changes and design adaptations to the Airport project? Delays are being reported, in the short to medium term, of up to four weeks behind schedule.

700 What safeguards has the Department in place to avoid cost overruns?

The Bailiff: Minister, Deputy Luxon, will reply.

705 **Deputy Luxon:** Thank you, Deputy De Lisle for your questions, although there are six questions, not three, as we will find out as time moves on.

710 In answer to your first, the contract between the States of Guernsey and Lagan Construction is an industry standard form, NEC3, which provides for close communication and liaison between the parties in connection within the management of the contract and which includes issues of potential delays, agreement of any necessary action to mitigate delays and the consideration of compensation events, which may be in favour of the contractor or, indeed, us, the States. This

avoids the dispute culture of other contract forms.

The States and Lagan are appraising the contract procedures in a proactive manner, so as to minimise the risk of cost overruns. There are twice daily project meetings to make sure focus is maintained. The Department has a risk contingency provision for both completion and cost within the project programme and a budget to accommodate increases to the price of the works and a slippage of the completion date.

The Bailiff: Any supplementary?

Deputy De Lisle: A supplementary, sir, thank you.

Is Deputy Luxon saying that this risks contingency could become a bonus plan for Lagan to pick up millions of pounds of public money for delays, cancelled shifts and slippage to the completion date?

The Bailiff: Deputy Luxon.

Deputy Luxon: I have no knowledge about Lagan's thoughts about that, but what I would say is that the Airport project team have been very impressed with Lagan's approach and their management style. There is a very genuine proactive approach to this project. The contingency is a fixed amount, it is within reasonable terms and I have no reason to believe that that is a tactic that is being applied.

The current delay is largely driven by some of the extremely bad wet weather that we have had over the last period and, over a two-year project term, I do not think we have any real concerns as we stand at the moment.

Airport Rehabilitation Project Lagan Construction signage

The Bailiff: Deputy De Lisle.

Deputy De Lisle: My second question, sir.

Is the Minister aware that signs and billboards around the Airport and throughout the west district bear the name of Lagan and do not refer to the States of Guernsey or the States of Guernsey Airport Rehabilitation Project? May I ask the Minister what he intends to do to correct this situation and has the Environment Department, in concert with Public Services, given permission for *all* the Lagan signs?

The Bailiff: Deputy Luxon.

Deputy Luxon: Thank you, sir.

Signs are positioned in order to provide information only and it is not of relevance whether they contain the name of Lagan, or the States of Guernsey, or indeed the project name. So, yes, I am aware, as is the project team, and there is no plan to do anything about that. We do not feel there is a need to.

In answer to your question regarding Environment, signage was part of the original planning application. The parties are not in breach of any planning requirements in relation to positioning of signage, so far as we are aware. The Minister for Environment is across the room; he may want to confirm or deny that.

The Bailiff: Deputy De Lisle.

Deputy De Lisle: A supplementary on that, sir, if I may. The question is, who has given authority to post signs on public property advertising Lagan on billboards without any reference to the States of Guernsey, or the Department of Public Services, who carry the ultimate responsibility and accountability for this project?

The Bailiff: Deputy Luxon.

Deputy Luxon: Sir, all I can do is reiterate my first answer, which is that these are not

advertising boards, these are signage boards that are relevant to the project and the board has no view as to whether there needs to be Public Services or, indeed, States of Guernsey references. It is purely signage directional information signs that we are talking about.

775

Waste management strategy
Introduction of kerbside recycling

780

The Bailiff: Deputy De Lisle, your next question.

Deputy De Lisle: Disappointing, sir.

785

With regard to my third and last question, the waste management strategy, could the Minister of Public Services inform the Assembly when he and his Board intend to introduce kerbside recycling to Guernsey?

The Bailiff: Deputy Luxon.

790

Deputy Luxon: Thank you, sir.

795

Kerbside collection of both dry recyclables and food waste is an important and vital factor in the waste strategy, agreed by the States in February. My Department is working on its implementation, with a view to putting the first rounds in place as soon as October 2013, as part of a phased approach to the rollout of Island-wide collection. It is a complex task. The intention is to start with collections of dry recyclables to be introduced in stages, followed by the inclusion of food waste, once facilities to deal with the latter have been procured and built.

800

In June this year the Department appointed consultants to assist with the implementation of kerbside collections, which requires consideration of, for example, route optimisation, potential combinations of materials put out for collection, collection frequency, best type of containers to use, incentives and charging regimes to encourage participation and, of course, health and safety. This list is by no means exhaustive, but I hope it gives a good idea of the diversity and complexity of the issues that need to be taken into account, before kerbside collections can actually begin.

805

In addition, you may recall that the States agreed that the T & R Department should be given delegated authority to release funding for a kerbside collection scheme, subject to receipt of an appropriate business case from the PSD Department. Work is therefore also ongoing on such a business case and I am sure you will appreciate the number of issues relevant to the above work streams and others will have to be resolved, before the business case can be finalised.

810

At present it is anticipated that the business case will be approved by November of this year. It will then be necessary to go out to tender for a provider and suitable infrastructure, which is currently scheduled for January 2013. This will enable a contractor to be appointed in April 2013, after which there will be a significant lead-up time of up to six months before rolling out the service. This will enable the successful contractor to procure vehicles, some of which will have to be bespoke for Guernsey, also to recruit and train staff and other associated actions, which gives a commencement date of October 2013.

815

The Bailiff: Deputy De Lisle.

Deputy De Lisle: A supplementary on that, sir, please.

820

That is 15 months away. Cannot kerbside collection of dry recyclables be introduced immediately in stages, perhaps, parish by parish, given the experience gained, Parish by Parish, given the experience gained by the Department already in the successful kerbside trials run in St Peter Port and St Pierre du Bois over a three-year period from 2007 to 2010?

825

The Bailiff: Deputy Luxon.

830

Deputy Luxon: It is a very fair question. In fact, when we recently had to close the St Martin's recycling bank, which was very unfortunate – it was a very well used bank – because of landlord's requirements, we did look at what the cost would be for a similar scheme as you outlined. At £150,000 it was simply felt that that level of expenditure *now* was not sensible. We would be far better off to focus our attention on rolling through the waste strategy, as I have described in my previous answer and get to the full scheme as quickly as possible, so the costs would outweigh the benefit of moving more quickly, in our opinion.

Thank you, sir.

835

**Household Expenditure Survey
Appropriate use of taxpayers' money**

840

The Bailiff: Any further supplementary questions?

No? In that case, the next question is to be asked by Deputy Laurie Queripel of the Chief Minister.

Deputy Queripel.

845

Deputy Laurie Queripel: Thank you, sir.

Does the Chief Minister think, in relation to the Household Expenditure Survey 2012-13, offering prize draws with a top prize of £2,000, plus smaller prizes of £100 and a Freepost facility by way of inducement or encouragement to return the forms, is an appropriate use of taxpayers' or public money?

850

Thank you.

The Bailiff: Chief Minister, Deputy Harwood.

855

The Chief Minister (Deputy Harwood): Thank you, sir.

In a word, yes, but I will elaborate. The information collected via the Household Expenditure Survey is used primarily to ensure the inflation indices remain representative of actual levels of price inflation encountered in this Island. The indices, as well as being important economical indicators, are widely used by business, including the States and individuals in reviews and negotiations regarding benefit rates, wages, rents, child maintenance and other contracts.

860

In order to gain an accurate picture of Islanders' spending patterns, the Survey requires Islanders to provide detailed information on their income and expenditure. It can be quite time consuming and, as a result, response rates tend to be relatively low. The Policy and Research Unit have no statutory powers to require people to provide the information. In order to achieve reliable survey results, and therefore reliable inflation indices, responses received need to be representative of the whole population, i.e. the sample size needs to be big enough and cover enough different household compositions, ages, tenures, incomes etc.

865

Studies have shown that response rates are improved by incentive payments. Improving the response rate reduces the overall staff time required in administration costs to ensure households need to be approached on an individual basis in order to achieve the same number of responses. In previous years each household completing the survey was paid an incentive amount - £40 per household in 2005-06 – which totalled approximately £40,000, since just over a thousand households were surveyed. This time a prize draw was suggested as an alternative and cheaper option, since we plan to achieve a sample of 1,600 households, which would represent a robust 5% sample. The total cost of the prize draws over 2012-13 will be of the order of £10,000. The project is on schedule for delivery on time and also under budget. The above approach does, I believe, represent excellent value for money.

875

The project business plan was subject to the appropriate scrutiny and approval process and was endorsed by both Policy Council and Treasury and Resources Department.

880

The Bailiff: Mr Queripel, any supplementary question?

No? Anybody else have any supplementaries?

885

ENVIRONMENT DEPARTMENT

**Island Development Plan
Vision for the Town and Bridge Initiative**

890

The Bailiff: No, in that case, the next question is by Deputy Laurie Queripel of the Minister of the Environment Department.

Deputy Queripel.

Deputy Laurie Queripel: Thank you, sir.

A number of concerned members of the public have approached me with regard to the Vision for the Town and the Bridge Initiative. They believe that many of these ideas, concepts and designs will never reach fruition and feel that it is a waste of time and resources.

Could the Minister tell me if, in fact, Environment staff time and resources have been expended on this project and if so, in monetary terms, what are the figures to date?

The Bailiff: Deputy Domaille.

Deputy Domaille: Thank you, sir. (*Interjection*) Thank you.

This work is an integral part of the review of the Island's Development Plans. The idea of creating visions for Town and the Bridge originates from the Strategic Land Use Plan, which was approved by the States in November 2011. The statutory function of this Plan is to set a strategic direction for the Environment Department to review the Island's Development Plans.

The Strategic Land Use Plan recognises the importance of the main centre of the Town and the Bridge, the economic, social and cultural life of the Island and requires a co-ordinated response to development within them to maintain their vitality and viability and to promote their enhancement. It therefore requires the Development Plans to provide for future shopping, housing, leisure and cultural facilities, tourism and other economic and environmental development to support their role and to do so within a co-ordinated framework, which will enable the private sector, States Departments and other partners to deliver what is required.

I would draw Members' attention to the following quotation from the Strategic Land Use Plan, section on main centre vitality and viability. I apologise for the length of some of these sentences, but they are in the plans, so here we go:

'The Development Plans should investigate opportunities for further and similar mixed use redevelopment opportunities within the main centres, with the aim of promoting and enabling development that can deliver economic, social and environmental benefits to the positive advantage of the Island as a whole. This approach should seek to bring together a number of opportunities into a single vision that presents a picture of how the main centres may appear in the future and how various agencies can contribute to successful delivery. Engagement with all relevant stakeholders will be required, if it is to genuinely meet the aspirations of Islanders and the Environment Department should clearly set out how such public consultation will be undertaken as part of the Development Plan preparation process.'

Topic papers were published by the Department in January this year as part of the first stage of the review of the Development Plans. These consultation papers included one entitled, 'Main and Local Centres', which poses a number of questions relating to the development and improvement of Town and the Bridge.

Following on from this, the Environment Department has sought partnership with various agencies with an interest in the future of the two centres to develop visions for them. The visioning team, which is being created, is independent of the Environment Department and includes representatives of the Town Centre Partnership, all the relevant Douzaines, relevant States Departments, including Commerce and Employment, Bridge traders and others. Its purpose is to feed into the Development Plan review, but also to remain as a body promoting the future of the two main centres into the future.

The Department's role has been to facilitate the process. The purpose of the vision is primarily to set out broad themes and principles for what Town and the Bridge will be in the future, how they will look and feel and function. In the course of their preparation, no doubt many good ideas will be discussed but, at this stage, the purpose is to create a long-term vision around which consensus can be sought for future actions. The visions will be subject to further public consultation at the issues and options stage, which will take place once the Department has completed its research, consultation and analysis of a whole range of land use issues, which will be dealt with in the new Development Plans. From the Environment Department's point of view they provide a crucial input into the Development Plan review, which must deal with the land use implications that arise from it. They enable dialogue with stakeholders at an early stage and we have drawn on work they have voluntarily undertaken in analysing the character of the two centres, their strengths, weaknesses and opportunities. They have also provided important information to inform the Department's contribution to the Harbour Strategy, the Retail Strategy and the Transport Strategy. All currently are in various stages of preparation.

In summary, the exercise has promoted the Department's commitment to effective public engagement, its commitment to gathering evidence on which to base policy decisions for the future of the Island, and its commitment to supporting joined-up government and partnership with the private sector and other agencies. In summary, the Department has been engaged in an

exercise, which is an integral part of the planning review process, which is a legal requirement within its mandate and an important exercise for the future of the Island.

960 As to how much it will cost, it is difficult to disengage it from other essential work being carried out on the planning review, but I would estimate one week's work for three officers, plus a small amount of management time. We have, of course, benefited from the time Members in the participating organisations have freely given to the exercise and for which we are grateful.

Thank you, sir.

965 **The Bailiff:** Any supplementary questions?
Yes, Deputy Queripel.

Deputy Laurie Queripel: Thank you, sir, and I thank the Minister for his answer.

970 Whilst I accept the Minister's point in regard to public consultation and a steer for the future, will the Minister accept that it could represent a rather long-winded process of elimination, rather like going around Alderney to get to Herm – which I am sure is a pleasant trip! If the consultation had been framed or structured in a slightly different way, does the Minister feel that the visions may have been slightly more realistic?

975 **The Bailiff:** Deputy Domaille.

Deputy Domaille: Thank you, sir.

980 I think this is a criticism that is always made when you try and engage with the public and stakeholders. The fact is that engagement and consultation takes time. What matters is the end result and what is really important in this process is allowing and encouraging everybody to take part in this scheme and that, in itself, may bring some delays but, actually, I think the end product is worth it.

985

Length of Question Time Ruling by The Bailiff

990 **The Bailiff:** Members of the States, the 30 minutes allotted to Question Time has now elapsed.

I have a discretion whether to postpone dealing with any Questions or to complete them. As it is not a long States meeting on this occasion, I will propose that we complete the Questions.

There is just one further set of Questions, but that may not be so on future occasions and I do urge people, where it is possible, to ask Questions for Written Answer, rather than oral answer.

995

COMMERCE AND EMPLOYMENT DEPARTMENT

Reallocation of Guernsey Potato Peel Society film funding £50,000 tourism media advertising 'gaps'

1000

The Bailiff: The next Questions are by Deputy Lester Queripel of Deputy Stewart, the Minister of the Commerce and Employment Department.

1005

Deputy Lester Queripel: Thank you, sir.

1010 Sir, in the light of £2.6 million being stolen from the States, I am embarrassed to be asking questions that deal with a sum of £60,000. However, as far as I am concerned, the taxpayers in Guernsey have a right to know where every penny of their hard-earned cash goes.

Before I ask my Questions, I would like to explain to the Assembly, if I may –

The Bailiff: Could you ask your Question, please, Deputy Queripel, or I will postpone it.

1015

Deputy Lester Queripel: Yes, I will do, sir.

An article in the *Guernsey Press* printed on 18th May 2012 was printed under the heading, 'Tourism peels away at potato-filled funds'. The article informs readers that £60,000 of the

£120,000 originally allocated towards the cost of making the film, 'The Guernsey Potato Peel Pie Society' had been reallocated.

1020 Director of Marketing and Tourism, Mr Jason Moriarty, went on to explain that £50,000 of the £60,000 had been spent on – and I quote – 'media advertising to fill in some gaps'. Could the Minister please tell me where these 'gaps' were and also would these gaps have remained if the £50,000 had not been spent, or would the Department have been able to draw £50,000 from somewhere else in their budget?

1025

The Bailiff: Deputy Stewart.

Deputy Stewart: Thank you.

1030 The quote referred to from the *Guernsey Press* was taken from the one hour biennial industry presentation on the visitor economy and the associated marketing strategy, which the Business Editor of the *Guernsey Press* attended. The phrase 'fill in the gaps' quoted to the Director of Marketing and Tourism was part of a broader explanation, referring to the overall marketing strategy and in this case, specifically, additions to the national and specialist press print advertising schedule, that runs from March to October.

1035 The previous Commerce and Employment Board were fully supportive, as was the Policy Council, in doing what the Island could to facilitate the filming of Guernsey, literally, Potato Peel in the Island. However, there was no new money from Government. The Board ring fenced money within the Marketing and Tourism budget to match industry support for the project to help reduce the logistical costs of filming on Island, compared to elsewhere. Whilst it added pressure to the 2012 season in terms of reducing spending, it was felt that the opportunity, as presented, to put Guernsey on the world stage, should be pursued.

1040 In the light of filming being deferred to 2013, which we understand is still the intention, a proportion of this ring-fenced money was put back into the marketing budget in the light of the challenging tourism season. This was subsequently spent on national advertising – about 13 insertions – and provided greater breadth of exposure in the media. A marketing campaign is always scalable to the level of funds available and, in this case, it was deemed sensible and appropriate to enhance the existing campaign with funds that had originally been ring fenced for this intended purpose.

1050 **The Bailiff:** Any supplementary question? No? Thank you.

**Reallocation of Guernsey Potato Peel Society film funding
£10,000 'Pay per click' promotional campaign**

1055

The Bailiff: Your next Question then, please, Deputy Queripel.

Deputy Lester Queripel: Thank you, sir.

1060 Question 2. Mr Moriarty tells us that the remaining £10,000 of the £60,000 was used to support a 'pay per click' promotional campaign.

Can the Minister please tell me if this £10,000 had not been spent, would the promotional campaign simply not have happened, or would the Department have been able to draw £10,000 from somewhere else in their budget?

1065

The Bailiff: Deputy Stewart.

1070 **Deputy Stewart:** The marketing and tourism team, like any other business unit, has to work within its budgetary constraints, so if filming had gone ahead, the additional spend on the on-line campaign would have had to be forfeited. That would be to enable the facilitation of the filming. It was deemed a sensible move, in terms of potential return on the investment the Island could achieve, from claiming authenticity of exterior filming in the Bailiwick.

1075 **The Bailiff:** Any supplementary questions?

Guernsey Potato Peel Society film funding

£250,000 anonymous donation

1080

The Bailiff: Deputy Queripel, please, your third Question.

Deputy Lester Queripel: Thank you, sir.

1085

According to media reports, £250,000 was donated by generous, anonymous donors towards the cost of filming.

Could the Minister please clarify, was this sum actually *donated* to the Commerce and Employment Department and therefore now in their possession, or was the arrangement actually a promise that the money would be forthcoming when filming begins?

1090

The Bailiff: Deputy Stewart.

1095

Deputy Stewart: Extensive work was undertaken by Commerce and Employment to reduce the costs of potential filming in Guernsey, as previously mentioned. This involved approaches to a range of companies within and outside of tourism or hospitality and several high net-worth individuals, who are huge supporters of Guernsey and its community. The private sector funding was misrepresented, strangely enough, in the media... There was, in principle (*Laughter*) one private donor – listeners might wish to tune to FM! – one charitable donation.

1100

However, the vast majority of the package raised was benefit in kind from industry, in terms of things like freight transportation, hotel accommodation, supplies and services. It was an excellent example of public/private enterprise and we achieved the film - and if we *do* achieve the film in 2013, we will need to go back to the starting blocks and revisit. The Department will be absolutely reliant on similar support to convert the opportunity for Guernsey, which was a wish of the majority of our community, as you may remember.

1105

In terms of funds, no actual money was paid to Commerce and Employment by sponsors, as we were waiting for the firm arrangements regarding filming, before dealing with the financials. The package had been presented on principal agreements only.

Thank you.

1110

The Bailiff: Any supplementary questions?
Yes, Deputy Queripel?

Deputy Lester Queripel: Might I reply to the Minister, sir?

1115

The Bailiff: No, you may ask a supplementary question, but you do not have a right of reply. Do you have a supplementary question? Arising out of the reply that has been given?

Deputy Lester Queripel: But it was in relation to the reply, sir, yes.

1120

The Bailiff: But is it a further question?

Deputy Lester Queripel: It could be, sir, but it is not directly –

1125

The Bailiff: Well, if it is not, I take that as a ‘no’, in which case you are not allowed to raise... you are not allowed to comment on his reply.

Deputy Lester Queripel: I could direct it to the Minister, sir, if that is –

1130

The Bailiff: You may ask a supplementary question that arises out of a reply, but you are not allowed to comment on the reply that you have had.

The Procureur: Or he can ask any other question under Rule 6.

The Bailiff: He does not have any other questions, of which he has given notice under Rule 6.

1135

The Procureur: He can ask any other question in writing under Rule 6.

The Bailiff: Oh, I see, under Rule 6, sorry, yes, you may ask further questions in writing under rule 6. Sorry, Mr Procureur.

Thank you.

1140

Deputy Gollop: A quick supplementary that I think, Deputy Stewart, to a degree has already answered.

1145

Is he and the new Board fully supportive of the initiative to do everything feasible to encourage the filming of the book, based on the ‘Guernsey Literary and Potato Pie’?

The Bailiff: Deputy Stewart.

1150

Deputy Stewart: The answer to that, Deputy Gollop, is yes we are and we are still waiting to hear. We tried to speak to the producers as long ago as last week. We are still waiting for *definite* confirmation that they will be filming here next year, but our Board will be supportive of that film.

The Bailiff: Deputy Queripel, you do now have a supplementary arising from that reply?

1155

Deputy Lester Queripel: Yes, sir. Thank you, sir.

Would the Minister of Commerce and Employment agree with me (*Laughter*) that – or would he not agree with me, as the case may be – but regarding States activities being *misrepresented* by the media, is it a case of the relevant Department not supplying sufficient information to the media in the first place, or is it a case of the media purposely misrepresenting the information they are given?

1160

In this case, sir, I would ask the Minister to please provide me with a copy of the information that C & E did actually provide to the media.

1165

The Bailiff: Deputy Stewart, are you able to answer that question, of which you have had no notice?

Deputy Stewart: Well, how long have you got?

1170

What I would say is that, in the course of my 40 years in the media – and it is always difficult, communication between various people and the media – sometimes it is not communicating particularly well, sometimes the media get it wrong: that is the world we live in, I am afraid. What I will say is we will happily get you part of the press release that they put out at the time, if we can dig that out. And if you were going to ask me, no, you cannot be in the film! (*Laughter*)

Deputy Lester Queripel: Not even a small walk-on part?

1175

Deputy Stewart: Not even a small walk-on part.

The Bailiff: Deputy Queripel, you have a supplementary.

1180

Deputy Lester Queripel: Could I ask for the *complete* release, not just part of it? The Minister said he would provide me with ‘part’ of it, but I am asking for the complete release –

1185

Deputy Stewart: You could have a complete release, you can wade through our files, if you wish, at Commerce enquiries.

Addressing the Assembly through the Chair Ruling by The Bailiff

1190

The Bailiff: Members of States, I know we are early in this new Assembly and there are quite a number of new Members here – including a new Bailiff sitting here – but can I please remind people that when they are addressing the Assembly, it should always be through the Chair.

1195

There is a temptation in Question Time for it to become a bit of a dialogue between the questioner and the replier, but it should always be through the Chair, so questions should be in the form of, ‘Will the Minister please advise the Assembly...’ rather than ‘please advise me’ and any replies should be, as I say, through the Chair, not direct to the questioner.

1200

Obviously, that applies to debates as well: comments should be through the Chair. It is very easy, in the course of debate, to get into a sort of an argument one-to-one, but it should not be that, it should always be through the Chair and everything should be addressed to the Assembly as a whole.

Thank you very much.

1205

Billet d'État XVII

The Foundations (Guernsey) Law, 2012, approved

1210

Article I.

The States are asked to decide:

Whether they are of the opinion to approve the draft Projet de Loi entitled "The Foundations (Guernsey) Law, 2012" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

1215

The Bailiff: We move on please, Greffier.

The Deputy Greffier: Article I, Projet de Loi entitled The Foundations (Guernsey) Law, 2012.

1220

The Bailiff: Right, Members, this is in the Brochure at pages 1-125.

Is there any request for any clarification or debate?

No? We move straight to the vote, then.

Those in favour; those against.

1225

Members voted Pour.

The Bailiff: I declare it carried.

1230

The Competition (Guernsey) Ordinance, 2012, approved

Article II.

The States are asked to decide:

1235

Whether they are of the opinion to approve the draft Ordinance entitled "The Competition (Guernsey) Ordinance, 2012" and to direct that the same shall have effect as an Ordinance of the States.

1240

The Deputy Greffier: Article II, the Competition (Guernsey) Ordinance, 2012.

The Bailiff: So, pages 126 to 245 in the Brochure.

Any requests for clarification or debate?

Yes, Deputy Gollop.

1245

Deputy Gollop: We at Legislation, and the new chairman, Deputy Jones - Rob Jones – we waded through it but, of course, we were not entirely sure at the time that the legislation in its form would be put to the Assembly this month. Personally, I am glad it is, but I did find some issues in trying to identify the different levels of judgement that would be made in terms of when it would be applicable and when it would not be – for the scale.

1250

I do not know if the Minister can advise us on how it will be judged.

The Bailiff: Is that a question the Minister can respond to, or do you wish some assistance from the Law Officer?

Deputy Stewart.

1255

Deputy Stewart: Yes, I think I can respond, sir. At the moment the Competition Commission – the joint Competition Commission across both the Islands – will be drawing up a simple, I think, hopefully, guide to how these Laws will be applied and that is probably one of their first jobs.

1260

I am very keen that the new Competition Commission go out to industry and set their stall so people know exactly what the thresholds are, how the rules will be applied and how the

Competition Commission will work, so that is something I will be encouraging them to do.

1265 **The Bailiff:** Any further debate?
In that case, we go to the vote.
Those in favour; those against.

Members voted Pour.

1270 **The Bailiff:** I declare it carried.

1275 **The Housing (Control of Occupation) (Amendment of Housing Register)
(No. 2) Ordinance, 2012, approved**

Article II.
The States are asked to decide:
Whether they are of the opinion to approve the draft Ordinance entitled “The Housing
1280 *(Control of Occupation) (Amendment of Housing Register) (No. 2) Ordinance, 2012” and to*
direct that the same shall have effect as an Ordinance of the States.

The Greffier: Article III, the Housing (Control of Occupation) (Amendment of Housing Register) (No. 2) Ordinance, 2012.

1285 **The Bailiff:** So, pages 247 and 248 of the Brochure.
Any requests for clarification or debate? We go to the vote.
Those in favour; those against.

1290 *Members voted Pour.*

The Bailiff: I declare it carried.

1295 **Statutory Instruments laid**

The Deputy Greffier: The following Statutory Instruments are laid before the States:
The Export Control (Miscellaneous Goods)(Bailiwick of Guernsey)(Amendment)(No 2) Order
1300 2012.
The Driving Licences (Guernsey)(Theory Test)(Amendment) Regulations 2012.
The Health Service Benefit (Limited List)(Pharmaceutical Benefit)(Amendment)(No 2)
Regulations 2012.

1305 **The Bailiff:** I have not received any notice of a motion to annul the Statutory Instruments, so
we can move on to elections, which brings us, I think, Greffier, to Billet XIX.

1310 **Billet d’État XIX**

POLICY COUNCIL

1315 **Election of ordinary members of the Guernsey Overseas Aid Commission**
Mr T. N. D. Peet, MBE, Mr S. H. Mauger, Mr P. M. Bodman, Miss J. E. Moore,
Dr N. A. F. Paluch and Advocate T. M. de Nobrega elected

Article I.
The States are asked to decide:
1320 *Whether, after consideration of the Report dated 11th June, 2012, of the Policy Council, they*

are of the opinion:

1. To elect Mr Tim Peet, MBE, to serve as an ordinary member of the Guernsey Overseas Aid Commission from 31 July 2012 to 30 July 2016.

1325 *2. To elect Mr Steve Mauger to serve as an ordinary member of the Guernsey Overseas Aid Commission from 31 July 2012 to 30 July 2016.*

3. To elect Mr Philip Bodman to serve as an ordinary member of the Guernsey Overseas Aid Commission from 31 July 2012 to 30 July 2016.

1330 *4. To elect Miss Judy Moore to serve as an ordinary member of the Guernsey Overseas Aid Commission from 31 July 2012 to 30 July 2016.*

5. To elect Dr Nick Paluch to serve as an ordinary member of the Guernsey Overseas Aid Commission from 31 July 2012 to 30 July 2016.

6. To elect Ms Teresa de Nobrega to serve as an ordinary member of the Guernsey Overseas Aid Commission from 31 July 2012 to 30 July 2016.

1335 **The Deputy Greffier:** Billet d'État XIX, Article I, Policy Council, Guernsey Overseas Aid Commission, election of members.

The Bailiff: Chief Minister.

1340 **The Chief Minister (Deputy Harwood):** Thank you, sir.

In March 2004 the States agreed to establish an Overseas Aid Commission to operate under the new, at that time, machinery of Government arrangement, which superseded the former Overseas Aid Committee, which itself had been established originally in 1980. The Commission is made up of a Chairman, who is a member of the Policy Council, currently Deputy O'Hara, further appointed by the Policy Council in May this year. In addition, six ordinary members, who need not be sitting members of the States, but are elected by the States on the recommendation of Policy Council. Each Commissioner serves for a period of four years, with ordinary Commissioners providing their time and services on an unpaid basis.

1345 The current terms of service of the six ordinary members of the Commission have now expired. On 14th May 2012 the Policy Council agreed, following an internal review of governance of the Guernsey Overseas Aid Commission, which had been commissioned by the previous Policy Council, to limit membership of the Commission to two terms of four years, as a maximum. This was felt to be in line with good governance and good practice of public bodies.

1355 The result of this change means that three of the current Commissioners are ineligible from standing again. Those concerned are Mrs José Day, who has served on the Commission and its predecessor, the former Overseas Aid Committee, for nearly 20 years, the last eight as vice chairman and Mr Ian MacRae and Mr Glyn Allen, who each have served for more than two four-year terms. I am sure the Members will, however, wish to join me in thanking the retiring Commissioners and in particular, Mrs José Day, for their dedicated interest and support and to express appreciation for the valuable work that they have undertaken over many years. (A Member: Hear, hear.)

1360 A further member of the Commission, Mr Michael Dene, has decided not to seek re-election to the Commission. Mr Dene has served both the Commission and the former Overseas Aid Committee for nearly 20 years and, again, I am very grateful to Mr Dene for his invaluable contributions to the work of both the former Committee and of the present Commission. We wish him a long and happy retirement.

1365 The two remaining members of the Guernsey Overseas Aid Commission have completed one term of service each. They are Mr Tim Peet MBE and Mr Steve Mauger. Both of these individuals have expressed a wish to continue serving as ordinary members.

1370 The Policy Council recently sought expressions of interest from individuals wishing to be considered as ordinary members of the Commission for the next four years. I am pleased to say the response was most encouraging, with a total of 19 individuals, including the two current Commissioners, putting forward their names for consideration.

1375 A short list of candidates was difficult to produce, but the Policy Council believes that the process has produced a high-quality list of experienced, enthusiastic and capable individuals for Members' approval. The Policy Council recommended candidates, therefore, are Tim Peet and Steve Mauger – who have both been members of the Commission for the past four years and will continue to bring a good level of experience and knowledge to the work of the Commission, and continuity – and to propose as new entrants: Mr Philip Bodman, Mrs Judy Moore, Dr Nick Paluch and Teresa de Nobrega.

1380 For your information Dr Tim Peet is a retired surgeon who has undertaken and taught surgery

in Uganda for over 12 years, work for which he was recognised and awarded an MBE last year. He has been a member of the Commission since 2008.

1385 Mr Steve Mauger works both at Beau Séjour and as a delivery driver. He has been organising the Christian Aid Week, as well as being heavily involved with Fair Trade Guernsey and Guernsey World Aid fundraising walk. Like Mr Peet, Mr Mauger has been a member of the Commission since 2008.

1390 Mr Philip Bodman is an accountant and graduate in agricultural economics with ten years' experience in overseas development work, including working in Papua New Guinea, Honduras and Peru. He had a scholarship with the UK Overseas Development Administration and is Missions Treasurer at the Holy Trinity Church, where he maintains a longstanding interest in providing support to Overseas Aid Development projects.

1395 Judy Moore is a programme leader in the Institute of Health and Social Care and has taught disaster preparedness in Sri Lanka, as well as being directly involved in supporting small projects in the same country. Miss Moore has been a volunteer at St John Ambulance for over 30 years and has used her skills and experience to support her overseas voluntary work.

1400 Dr Nick Paluch is a semi-retired medical practitioner and qualified but not practising barrister, who has undertaken volunteer work in less developed countries whilst maintaining an active and independent involvement in fundraising and Overseas Aid support activities, including visiting several projects supported in recent years by the Guernsey Overseas Aid Commission.

Finally, Advocate Teresa de Nobrega is an advocate with experience of both visiting less developed countries and initiating charitable fundraising activities. She is also a supporter of a number of charitable bodies working overseas.

1405 Whilst Members of this House are free to put forward alternative names, the Policy Council recommends that Members appoint these six individuals as Commissioners for the next four years, as it believes they offer a good mix of proven experience, enthusiasm, wisdom and commitment, and believes that they will successfully consolidate and develop the important and worthwhile work of the Guernsey Overseas Aid Commission.

1410 I therefore commend these appointments to the House.

The Bailiff: Do we have a seconder for those six candidates?

Deputy David Jones: I am happy to second.

1415 **The Bailiff:** Yes, thank you, Deputy Jones. All six?

Deputy David Jones: Yes.

1420 **The Bailiff:** Thank you.
Do we have any other nominations?

Deputy Gollop: Point of order, sir.

1425 **The Bailiff:** Deputy Gollop.

Deputy Gollop: No doubt, these are excellent individuals, but was it perhaps premature of the Policy Council to change the rules of the Commission, therefore disallowing three of the existing incumbents who wished to stand again perhaps at one point?

1430 I would also point out that I am currently on my third four-year term at Legislation and Deputy Jones is on his third term as Housing Minister and member of the Policy Council, so we are not consistent in this new rule of corporate governance.

The Bailiff: If we are going to any sort of debate, is there any other request for any debate?

1435 **The Procureur:** There is actually no power to nominate anybody else. It has to be on the nomination of the Policy Council.

1440 **The Bailiff:** Only on that – thank you, Mr Procureur – so there can be nobody else nominated. Are there any other questions, then, of the Chief Minister, or any other debate? No? Do you wish to reply then, Chief Minister, to Deputy Gollop?

The Chief Minister: If I may, sir.

1445 As I mentioned in my introduction, a review was commissioned by the previous Policy Council and, in the light of the recommendations of that review, the present Policy Council felt that it had no alternative but to accept the recommendation and therefore to limit the term of appointment to the Overseas Aid Commission to two terms, each of four years.

1450 **The Bailiff:** In that case, then, we go to the vote on the proposition that the following six candidates be appointed to the Overseas Aid Commission. I will put all six of them to you together, and as their full names are not given in the Billet, I will give you the full names of each of them: Mr Timothy Nigel Dexter Peet MBE; Mr Stephen Herbert Mauger; Mr Philip Mudie Bodman; Miss Judith Elise Moore; Dr Nicholas Anthony Fleetwood Paluch; and Advocate Teresa Maria de Nobrega.

1455 Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them elected.

1460

Billet d'État XVII

1465

POLICY COUNCIL

Guernsey Financial Services Commission

1470 **2011 Annual Report noted; Accounts for the year ended 31 December 2011 approved; BDO Limited appointed as Auditor for the year ending 31 December 2012.**

Article IV.

The States are asked to decide:

1475 *Whether, after consideration of the Report dated 28th May, 2012, of the Policy Council, they are of the opinion:*

1. To note the Report.

2. To approve accounts of the Guernsey Financial Services Commission for the year ended 31 December 2011.

1480 *3. To appoint the firm of BDO Limited as auditors of the Guernsey Financial Services Commission for the year ending 31 December 2012.*

The Deputy Greffier: Billet d'État XVII, Article IV, Policy Council, the Guernsey Financial Services Commission 2011 Annual Report.

1485 **The Bailiff:** I understand this will be opened by the Deputy Chief Minister, as the Chief Minister was Chairman of the Commission at the time.

Deputy Le Tocq.

Deputy Le Tocq: Thank you, sir.

1490 The Policy Council is responsible to this Assembly to present the Annual Report and the accounts of the Guernsey Financial Services Commission, and it does so today. At the same time, the Public Accounts Committee is responsible for nominating the appointment of external auditors and, again, this Assembly should note the recommendation for this year's accounts to be audited by BDO Ltd.

1495 Sir, as there are no resource implications and taxpayers' money is not involved in this, the Treasury and Resources Department and, indeed, the Policy Council, have no further comments to make on this Report, except to encourage States Members to note it and to vote for the proposals before them.

1500 **The Bailiff:** Is there any...?
Yes, Deputy Soulsby.

Deputy Soulsby: Bailiff, you will be delighted to hear I have got four very quick questions I

would like to ask on these accounts.

1505 In the light of the fact the GFSC has made a surplus of £2½ million in the last two years and is sitting on a cash balance of £7.6 million, I would like to ask the Deputy Chief Minister four questions: (1) why does the GFSC need to be sitting on such a large cash balance; (2) if it were wound up tomorrow, who is entitled to that surplus and cash; (3) at a time when Guernsey needs to be price competitive more than ever before, does this surplus mean fees are too high (**A Member:** Hear, hear.); and (4) in light of the current economic climate, why does the Island's regulator need to produce such a glossy and, no doubt expensive, set of accounts?

The Bailiff: Is there any other debate?
Deputy St Pier.

1515 **Deputy St Pier:** Sir, as the Deputy Chief Minister correctly observed, the Treasury and Resources Department did not have any comments on it, so these comments are personal comments from me.

1520 This is the last year of the grant, from the Guernsey Financial Services Commission to the Guernsey Training Agency, of £440,000. The Commission imposed substantial fee increases on the financial services industry in 2010 and 2011 so, on the face of it, in 2013 it is going to have £440,000 of spare cash which, in other words, it would have had to use to fund the GTA, so I personally would encourage the Commission, in setting its fees for 2013, to have regard to that fact, and would be extremely disappointed if there were any increase for the industry. In fact, I think they should be looking to exercise the same expenditure restraint which is being imposed on the rest of the public sector because this is, in essence, a quasi-Government public body.
1525 Thank you, sir.

The Bailiff: Any other debate?
Yes, Deputy Lester Queripel.

1530 **Deputy Lester Queripel:** Sir, could I ask for some clarification, please.
What exactly is the role of the remaining Members of the Assembly in this? I realise that the direct contact is with the PAC and the Policy Council, but the remaining Members of the Assembly, are we permitted to ask any questions and make any comments on the Report, sir?
1535

The Bailiff: Yes, you may.

Deputy Lester Queripel: In that case, I have got a six-page speech! (*Laughter*)

1540 **The Procureur:** Actually, I am not sure about that advice... (*Laughter*)

Deputy Lester Queripel: I read this Report with great interest. The message that came across loud and clear is that although the finance industry has been our main industry for a number of years, it still does not have a strategy, and whilst it could be said that the industry has done very well indeed *without* a strategy, there are several areas in this Report where the people working at the GFSC highlight the need for a strategy to be introduced.
1545

If Members turn to page 6 of the Report, they will see halfway down the page, on the lefthand side, that the first recommendation listed, as a result of the recent Ernst & Young Review, reads as follows:
1550

'A financial strategy is essential for Guernsey.'

At the bottom of that paragraph we are told that Government should be responsible for introducing the strategy and that the Guernsey Financial Services Commission should be responsible for implementing and regulating it. So the message is clear that a financial strategy for the Island is vital, and that we, the States, need to compile it.
1555

I do take some comfort from a recent e-mail reply to a question I posed Deputy St Pier, who said that, in his view, the implementation of the financial strategy is a priority. But I do find myself asking the question, sir, who has the expertise to decide on the elements of this strategy. A thought that came to me recently was that perhaps it might be an idea to consider setting up a financial strategy steering group with a non-States Member as chairman. Maybe this group already exists, or maybe the idea of forming such a group is currently being considered, and I apologise for my lack of knowledge, sir, but I ask that the Deputy Chief Minister clarify that point, please, in
1560

the response.

1565 My concern about this strategy, of course, is it must not be too heavy handed, because if it is, it could have a very damaging effect on the industry; and it also does not need to be gold plated. In fact, I have a press cutting here dated 16th December 2011, which carries the headline:

1570 ‘GFSC accepts the need for good but not gold-plated regulation’.

In fact, in his capacity as Chairman of the GFSC, our very own Chief Minister is reported as having said:

1575 ‘We never said we had to be world leaders, but in the absence of any direction from Government you tend to be drawn to the top end of the pack rather than the bottom.’

1580 So the Chief Minister himself has said it: we do not *have* to be world leaders – all we need to be is compliant. Yet, from what I gather from talking to people within the industry, there is a real concern that the strategy and the regulation will be too heavy handed. Therefore, the operative word, in this case, would need to be ‘balance’.

1585 Another message that comes over loud and clear from this Report is the fact that GFSC would like us to engage with them a lot more – not only the Policy Council, T & R and Commerce and Employment, but all of us as individual politicians. Twenty-one of us recently attended a presentation given by the GFSC and, during that presentation, I asked the question, ‘How can we, as politicians, support you?’ The answer, as I am sure those of you who were there will remember, was ‘Listen and learn.’

1590 I have no desire to be a financial expert, sir, but to use terminology that I questioned at a previous debate, I would much rather observe from an arm’s length basis, but that would mean I would be relying totally on someone else to be doing their job, and whilst I have every faith that the Departments involved will do the job to the best of their ability, I see it as my duty to listen, learn and engage a lot more than I had previously planned to do.

1595 I would like to spend a moment or two, sir, if I may, through the Chair, explaining why I intend to spend a lot more time engaging with the GFSC, because the fact of the matter is that until Deputy Stewart and his Department come up with some additional avenues of major income – and I have every confidence that they will – the finance industry is the only game in town. I realise by saying that I am stating the obvious, but sometimes I think it is good to do that. I will repeat that, sir: at this moment in time, as we all know, the finance industry is the only game in town. I realise there are some people who do not like that, they are not at all happy with that, but the industry does employ approximately 7,000 people – that is 21% of our workforce – and even if we consider that possibly 1,000 of those are working here in the Island under a housing licence, that still means that 6,000 Guernsey people will lose their jobs, their livelihoods and possibly even their homes, if the industry decides to leave the Island. Therefore, in my view, we have to support the industry and the GFSC.

1600 To conclude, sir, I have done my homework – I have spoken to numerous people working in the finance industry during the past three weeks – and the industry is saying that they need this strategy to be implemented as soon as possible. Also, that the industry and the GFSC are asking us to engage with them much more than previous Assemblies. How much we actually do as individuals, of course, is entirely up to us, but I think I have demonstrated *my* support for the GFSC and the industry in this speech, sir, and I ask that, in return, the industry realise it must contribute its fair share, and by that I mean that wherever possible they employ local people; when they need to employ people from overseas under licence they must ensure that those skills are transferred to a local person who can take over the post when the licence expires; and also the industry have told us, on numerous occasions, that they are happy to amend Zero-10 as long as the zero remains as part of the package.

1615 I will close by asking the question, sir – could the T & R Minister please tell us if the work to amend Zero-10 is underway? And the final question I would ask is, in relation to Deputy Soulsby’s question, did the Commission need to inhabit such state-of-the-art polished granite and chrome offices, when surely there are far cheaper offices available?

1620 Thank you, sir.

The Bailiff: I think, if I heard you correctly, you were asking a question of the T & R Minister, and of course he has already spoken. He will not be able to speak again, so he will not be able to answer your question in the course of this debate, but no doubt the Deputy Chief Minister will be replying in due course.

1625 Deputy Conder next.

Deputy Conder: Thank you, sir.

I would endorse what Deputy Soulsby and the Treasury & Resources Minister also said, in terms of the hope that the cost of regulation will be kept under control in the foreseeable future and, indeed, that we have a regulatory system which does not place too high a burden on our finance sector which, as Deputy Lester Queripel said, is so important to this Island.

I recognise and honour the work that the Commission does, but I do have some questions from these accounts, which I would pose perhaps hypothetically. I find that the Commission is an unusual organisation – I think the only parallel probably is the BBC – inasmuch as it is able to raise its own taxes, called a fee, and it uses those fees – taxes – for its own purposes in terms of its salaries and its buildings. So the point that Deputy Lester Queripel made is a valid one.

Sir, in analysing the accounts for 2011, I did go back to the accounts of 2001, 10 years ago, and there are some interesting statistics I think come out of them. In 2001, the total fees raised were £3.5 million – that is a burden upon the finance sector, as I indicated, a hypothetical tax, £3.5 million in 2001 – and £12.6 million in 2011. That is almost a fourfold increase. Equally, their total expenses in 2001 were £3.8 million, and in 2011 they are £10.6 million, again a substantial increase.

I would particularly refer to the point Deputy Soulsby made in terms of their cash holdings, which do seem extraordinary. I take the point, of course, that a balance sheet is only a point in time, but in 2001 they had £29,000 on their cash, and as Deputy Soulsby has said, in 2011 it is £7.6 million. That is *£7.6 million* of the finance industry's fees that they are holding as cash reserves. That is a genuine burden upon the finance sector.

The premises costs, equally – although the increase is not quite so dramatic – in 2001 were £574,000 and in 2011, £1.4 million. Those figures are shown on pages 41 and 42 of the current accounts.

My last point, sir, in the spirit of transparency: I do find a curious modesty in the accounts on page 65 in respect of senior, indeed all, staff's remuneration packages. In the UK – and we are not in the UK – the costs of all senior staff are shown for public display. On page 65, we have bandings of salaries, which go from zero to £120,000 in bands of £40,000, but they curiously stop at £120,000 and just simply show that nine staff are paid more than £120,000. In the spirit of transparency, sir, I think both the fee-payers and the Island should have the right, as they would in most other jurisdictions, to know perhaps a bit more about those packages above £120,000, and I would urge that those bands are extended somewhat in bands of £40,000 because I do believe that the fee-payers – the taxpayers – do have the right to actually see what those packages are.

Thank you, sir.

The Bailiff: Deputy Stewart, you had attracted my attention to speak next.

Would you rather speak later, Deputy Stewart? Would you rather speak later in the debate or at this point?

Deputy Stewart: I will speak later, sir.

The Bailiff: You will speak later. In that case, Deputy Gollop, then Deputy Trott, and then Deputy David Jones.

Deputy Gollop: Yes, I am pleased perhaps that Deputy Stewart is speaking later. Not only is he a great speaker, but I kind of want to put the blame on him a bit. Well, no, not personally, but it is just we heard Deputy Lester Queripel saying that what we need is a strategy for the finance sector. Of course, we have had numerous reports, including the one from somebody I know Deputy Trott knew well, Lord Hunt, about banking, and we have had some strategic thinking, but in a way the strategy belongs to the States and it is Commerce and Employment's role to bring back a business strategy, of which the finance sector is currently the most important part, and I hope that the work Deputy Stewart is doing and promoting on improving our electronic communication, bandwidth and those difficult areas, will synergise with the financial strategy, because the two really could go hand in hand.

I think that this is the point of corporate governance here. Members, even senior Members like Deputy St Pier – and he certainly has the expertise to contribute to this personally, and so, of course, does the Chief Minister, Deputy Harwood, along with other Members. Deputy Perrot would be another who could contribute to this wide-ranging review of ensuring the finance sector has a future, because I do not think we would be sitting here today with a prosperous economy if it was not for the work of the Guernsey Financial Services Commission. They have been part of the

template that has ensured that Guernsey, as a jurisdiction, does not have many, if any, *internal* fraudsters working in the industry and also that we have a meticulous reputation on all the good lists internationally. They are worth not necessarily every penny but very considerable recognition for what they have done.

But we have heard from Deputy Conder, who, of course, was the Head of the Training Agency, that perhaps the Financial Services Commission should be more open about its salary rates, and also, of course, we need a skills strategy to take on the money they are no longer paying for training, because the last thing we want is for skills to diminish in any way. But when we have arguments about why aren't we more transparent with salaries, or as Deputy St Pier said, why are they holding such cash balances, surely it is within our hands, as the States, to regulate the regulators, because the biggest concern I hear about the GFSC is not that they do not do an excellent job – they do – or that they have total integrity – they do – it is that there does not seem to be any strategic political oversight and checking as to where they are going and what they do and whether, on every occasion, they are acting in the best interests of growing what is an increasingly competitive market for the financial services industry.

So my plea is that we get some form of political strategy, both for the finance sector as a whole and for improving the dialogue between the senior States Departments and Policy Council and the GFSC.

The Bailiff: Deputy Trott.

Deputy Trott: Sir, on page 1825 of the Billet, the Policy Council recommends the States to note the Report and, importantly, to approve the accounts of the Guernsey Financial Services Commission for the year ended 31st December 2011. So that is our function, and, in doing so, sir, we need to satisfy ourselves that these accounts have been prepared in an appropriate way.

On page 6, the Chairman of the Commission, Dr Cees Schrauwers, advises us that the Commission is fully aware of the importance of the financial services industry to Guernsey and is working closely with the States to make sure that the Island continues to play a successful role in the finance industry of the early 21st century.

Looking further down, sir, under bullet point 3, he reminds us that the Policy Council has said that one of the four principles which should apply is the maintenance and enhancement of Guernsey's reputation and prospects

'...by applying *and enforcing* a strong, internationally respected, regulatory regime.'

Sir, on page 40, under 'Legal and professional fees', we note that, between 2010 and 2011, the legal and professional fees rose by a factor of three – by over 300% – from £310,000 to £972,000.

Sir, on page 38, the statement of the Commissioners' responsibilities advises us that they

'...are *required*, under the Financial Services Commission (Bailiwick of Guernsey) Law 1987, as amended... to make judgements'

– with regard to these accounts and estimates –

'that are reasonable and prudent.'

If you are a director of a company, or indeed a Commissioner of the GFSC, in order to be able to make judgements and estimates that are reasonable and prudent, you need to be in possession of all of the information. So, with regard to the enforcement costs, would the Deputy Chief Minister agree with me... I would not expect him to know the answer to this, sir – that would be unreasonable – but would the Deputy Chief Minister agree with me that unless the Commissioners were fully aware of all aspects of enforcement, including who was being investigated and what the likely costs of such investigations were, it would not be possible for those Commissioners to discharge their duties, as laid down under the Financial Services Commission (Bailiwick of Guernsey) Law 1987, in a manner that would enable them to make judgements and estimates that are 'reasonable and prudent'?

And *if* the Deputy Chief Minister were to agree with me, sir, and *if* the Commissioners were not in possession of all of that information, then a sensible person may conclude that these accounts may not reflect a true and fair view because the Commissioners have not been able to exercise their judgement and consider the estimates in a reasonable fashion?

Thank you, sir.

The Bailiff: Deputy David Jones.

1750

Deputy David Jones: Thank you, Mr Bailiff, Members of the States.

I was pleased that Deputy Conder brought up the issue of salaries because, reading through this Report, they do tend to just give the bands and stop at what the senior members of the Commission are earning, and I think that that is a sad reflection of the openness and transparency that the GFSC expect from the finance sector but fail to produce themselves in this Report.

1755

We have heard, over the past few years, that growth in Guernsey is slow. Well, it isn't in this sector. The biggest growth industry in the finance sector is in compliance officers. I talk to many in the finance industry. I do not pretend to understand for a minute a word they are saying, but I do talk to them about the problems that they face in terms of the numbers of people that they have to employ because of what they perceive now to be a platinum-plated regulatory framework and regulations that are, quite frankly, putting a real downer on the engine-driver of this Island's economy.

1760

Of course we need regulation, and of course we need to do everything we can to be responsible players on the international financial stage, but we are getting to the stage, according to many in that industry, where we are driving people away from Guernsey – not to unregulated jurisdictions, but to jurisdictions where regulation is handled, shall we say, with a lighter touch than it is presently in Guernsey. We come under more and more scrutiny every year by the OECD, the IMF, the Treasuries of the UK and the US, and many other envious organisations who, when you drill down into it, you realise that most of the regulatory frame that we have got surpasses anything that they have in many of the jurisdictions that make adverse comments about these Islands. You have only got to look at the recent money-laundering accusations levelled at some of the big major banks to see that that is true.

1765

1770

So I am hoping that, in the future, the one message, certainly today, that this Assembly should be sending out to the GFSC is that we want them to have a complete review of the way that they function and the damage – and I believe it *is* damage – that they are doing to the finance sector in Guernsey by gold plating, platinum plating, regulation – and *necessary* regulation... I am not saying that the regulation that we have is unnecessary; I just believe that we take it to the highest level possible, when that part of it is unnecessary.

1775

The points that Deputy Soulsby made are valid and they need to be addressed, and perhaps it is a matter that the PAC should be looking into to see what they can do to help with some sort of review of the GFSC. Of course, it is up to this Chamber and this Assembly to bring in regulation as and when it is necessary to make sure that we are good players on the international stage, but I believe that we have actually introduced libraries of it over the years while we have let other, more important legislation that affects the social aspects of our Island and its people fall by the wayside.

1780

Of course, the finance industry is going to moan on occasions about regulation. We expect that and that is as you would expect to find, but I think that the crescendo now that is coming from the finance sector about the problems that they are facing with the numbers of compliance officers they need to employ etc, has got to a level where this Assembly now needs to act and do something about that if we are going to protect that industry and, in actual fact, just to correct Deputy Lester Queripel, the industry employs about 8,000 people and has about 475 licences, so you can tell that the majority of the people who work in it are local people, or people who are certainly locally qualified to live and work in Guernsey.

1785

1790

So I hope there is a good strong message goes out from here today and I hope that many more of you have got questions on this particular Report that you would like the answers to.

1795

Thank you.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir. I do intend to be very brief.

1800

The question is, surely, one of do we want Channel 4, the *Daily Telegraph* and the *Guardian* leaving these shores, time and time again, having visited a tax haven, or do you want to give a clear signal that we are one of the most regulated environments in this area? I would certainly rather the latter.

1805

But it was really an observation on the Report and the process we are engaged in. At the beginning of this term we had non-States members put forward to this Assembly when no alternatives can be put forward, we have Overseas Aid members put forward when no alternatives can be put forward, we have had the membership of the Guernsey Financial Service Commission... and I have to again refer to remarks made by Lord Flight, who was chastised by Conservative Members when he said that an incentive to reduce benefits... the outcome would be

1810 that the poor would stop breeding... is not really somebody you want *too* closely associated with our Guernsey finance business.

I would hope that Scrutiny and, perhaps, PAC will leave today asking, as I am, why are we having a debate without consequence? All we can do is grimace or frown or give the Guernsey Financial Services Commission a hard stare. That is *all* we can do, so we just have to reflect on the wisdom of having this debate and the practical outcome of debating such an item.

1815 Thank you.

The Bailiff: Can I just ask for an indication of how many other people wish to speak?

1820 I know that Deputy Bebb is proposing a motion under Rule 14 to close the debate and, if we did that, it would not give, for example, Deputy Stewart the opportunity to reply to points that have been put directly to him. So, Deputy Bebb, would it assist you to know just how many other people –

1825 **Deputy Bebb:** No, it is simply the fact that I do not think this debate is any longer about the accounts, and that is exactly what the proposition is in front of us.

The Bailiff: Right, so it is about the Report and the accounts –

1830 **Deputy Bebb:** The Report... yes, so it is going further than –

The Bailiff: – so I think the debate has been about the contents of the Report, but can we just have an indication how many other people wish to speak?

Deputy Perrot wishes to speak, and then I think Deputy Stewart will speak. Do you still wish to bring your proposition under Rule 14?

1835 **Deputy Bebb:** With only two more to speak, I do not think it is...
Thank you.

1840 **The Bailiff:** Thank you.
Deputy Perrot.

1845 **Deputy Perrot:** All I want to say, essentially, sir, is that I endorse all that Deputy Jones has said, but put briefly, the Guernsey Financial Services Commission is too big, it is too expensive and it over-regulates. A part of that problem, in relation to over-regulation, is *our fault* because we do not pay sufficient attention to the legislation which goes through which falls within the purview of the Guernsey Financial Services Commission, and perhaps that will change during the course of this session.

1850 I do not accept that the media will ever stop having a pop at us. Many institutions in the United Kingdom – I have said this before but I will say it again – are jealous of us and they will continue to have a go at us. Over-regulation is not going to stop the *Observer* and the *Sunday Times* and other newspapers having a go at us. What we can do to try to minimise that is to ensure that there is good communication from the Policy Council and from Treasury and Resources to those who matter, both in the United Kingdom and in Brussels.

1855 I would hope that, as the years go by, the report and accounts which we see from the Financial Services Commission reflect more sensibility on regulation in this Island.

The Bailiff: Deputy Stewart.

1860 **Deputy Stewart:** Just a few points, really.

Deputy Queripel said he had done his homework. Unfortunately, I am only going to give him four out of 10, because I found myself misrepresented. We do actually not just look at the new industries at Commerce and Employment; we are spending a lot of time looking at the finance sector for this Island. He is quite right, though, in pointing out it represents 40% of our GDP directly, and maybe as much as 71% indirectly.

1865 Since I have been Minister, I have had countless meetings with the finance industry and I do have to agree with Deputy Jones and Deputy Perrot that the feeling is that the industry is in some ways over-regulated, and that lies firmly at the feet of the States. A regulator does what it does: a regulator regulates. It is the duty of the Government to give that regulator clear direction of what we want to achieve from our finance industry. It is always a balance of reputation against economic benefit and that balance should be agreed by the States in consultation with the various

sectors of the finance industry and clearly communicated to the regulator. That is the way forward.

1875 What I will say going forward is that the Financial Sector Development Unit... although there was always a financial strategy, it was understood between the industry and Government. It was more of an understanding; however, I have worked hard with the Financial Sector Development Unit and a full written strategy will be forthcoming over the next couple of months so that there is no mistake about the direction that industry and Government have agreed on for the direction of industry and also, hopefully, regulation. There will be some changes over the following months, and my Department will be playing a major role in this.

1880 Just to say, and confirm what Deputy Perrot said, we will never stop the British press having a cheap pop at us, often to disguise some of the things that may be going on in their own jurisdiction. We have to live with that. However, going forward, legislation that we will be bringing, as Commerce and Employment, to this House, will be in itself tax neutral, yet give our financial sector huge opportunities in terms of image rights, IP and all these new parts of law where we can actually develop new products for the financial sector and look at ways that we can work, promoting these products with sustainable growth into new markets.

1885 So, in closing, at the moment it is not perfect, but there is an enormous amount of work, not just by my Department but across the whole States, in making sure that we get the playing field right for Guernsey to go forward and to prosper.

1890 **The Bailiff:** Unless there is any further debate, I call on the Deputy Chief Minister to reply.

Deputy Le Tocq: Thank you, Mr Bailiff.

1895 Sir, I will just begin, in terms of my reply, by echoing the comments made by the Commerce and Employment Minister and by Deputy Perrot. Indeed, it is this House's, this Assembly's, responsibility to set the tone and to take more of an active role in legislation, and indeed even in statutory instruments, for example.

1900 To take out of order the question that was asked by Deputy Soulsby, I think, in terms of the fees being set, the fees are set by statutory instrument and the States, this Assembly, can choose under section 25(3) of the Financial Services Law, to annul that statutory instrument if they so wish to do. So we have it within our powers under that and many other ways to set the tone and to make the difference. I can assure this Assembly that this current Policy Council certainly intends to take a far more proactive role in the message that we are sending to the Commission, as indeed to other agencies of the States, but it is down to us as a whole Assembly to take a more active role, particularly in legislation that comes through.

1905 To pick up on something that I think Deputy Perrot said, I for one believe – and it is a very personal view – that we need to learn to legislate more leanly and effectively and target, rather than the general approach that has been done in the past to try and cover every base. Regulation, Mr Bailiff, is a bit like an insurance policy, and I learnt fairly early on that one is very much mistaken if one thinks that, by paying higher and higher premiums, we will cover every single eventuality and every base.

1910 Guernsey has been very successful in its business, particularly in its financial service business, over many years, and to echo what the Commerce and Employment Minister has said, we will always, therefore, be a target, particularly under the current climate. The financial services industry at the moment is, I believe, fast changing through challenges, through scandals, and currently through a sudden ethical and moral interest in its activities globally, if not within our waters, and so one can expect that, over the next few years, there are going to be further and further changes to the industry, and therefore to the regulation of that industry.

1915 I will begin with the questions. I think there were four questions raised by Deputy Soulsby. She asked, first of all, why such a large cash balance. My understanding, sir, is that the reserves are there to cover at least one year's expense of the Commission, because the Commission receive now no funding, as they originally did, from the States.

1920 She then asked who is entitled to this were it to be wound up. My understanding again, sir, is that the States would be entitled to any surpluses, were that to be the case.

1925 She asked about the fees being too high, and I have already referred to that in terms of this Assembly's powers to alter that, but my understanding also is that there is a current industry consultation taking place and so the results of that, no doubt, will be made known.

1930 She then mentioned, I think, at the end, why such a glossy presentation, and I must admit this is something that I remember being a criticism of nearly everything that was published years ago when I was previously in the House, and I did find the presentation to have wonderful pictures of Guernsey but did wonder whether it was the Arts Commission or the Guernsey Financial Services Commission! I would agree with her in that respect. However, I daresay that the Commission itself

would say that they need to produce something that is attractive not only to us but to the outside world particularly. But I take that point on board. I feel we do need to cut our cloth in appropriate ways and I am sure the Commission will be listening to the points being made.

1935 I would echo the T & R Minister's comments particularly and, in that respect, with regard to Deputy Lester Queripel's questions in terms of financial strategy, the Commerce and Employment Minister has answered. I would say, in addition to that, the Policy Council, indeed the FEPG, will take a very key lead in development of financial strategy and, particularly, obviously, tax strategy. 1940 Indeed, with regard to the changes in our fiscal policy and Zero-10, work is well underway. I can assure Deputy Queripel of that at the moment.

We need to ensure that we are robust in encouraging every public sector agency – and the Financial Services Commission is part of that – to follow suit with what the States, as a whole, is seeking to do, in fact, taking the lead in terms of making ourselves efficient and not wasting money and not gold plating services. I think the points that have been raised on *that* issue by a 1945 number of speakers are well taken on board by the Policy Council and so will be, indeed, mirrored by its dealings with and engagement with the Financial Services Commission.

Deputy Conder mentioned about cash reserves as well and I have covered that already. He talked about senior staff's remuneration package and again, personally, I would agree with his points. I think we are living in days of transparency and I believe that the States again sought, and 1950 is seeking ways to be more transparent, so the Financial Services Commission should do the same thing. In terms of funding and his comparisons with 2001, in 2001 it was prior to the IMF's involvement, the States, of course, was still supporting the Financial Services Commission and, as such, would underwrite any deficit, so that is why there has been at least one reason there has been quite a sea change in the amount of reserves that it sought to keep.

1955 I think Deputy Gollop was next in talking about strategic political oversight and, again, I would say to this House – and encourage this House – that we need to engage more in the legislation that we produce and make sure it is fit for purpose and that we know what we are voting on, but the Policy Council, certainly *this* Policy Council, shows every sign of engaging more proactively in the future.

1960 Deputy Trott asked a question – in a sense, quite personally and not expecting me to answer in detail – in terms of the Commissioners' awareness. I think, on reflection, that one of the difficulties in that respect is going to be where Commissioners will need to be involved at the highest level, sometimes as the final arbiter of a case. As such, it would be inappropriate for them to get involved too early on with that. That is always going to be an issue and, no doubt, there may 1965 be other means or other ways of restructuring so that those issues do not occur, but at the moment it would be inappropriate to go along those lines.

Deputy Trott: Sir, if I may, that is an entirely reasonable response from the Deputy Chief Minister, but we are here determining whether we should approve these accounts. The Financial 1970 Services Commission (Bailiwick of Guernsey) Law 1987, as amended, *instructs* the Commissioners to make judgements and estimates that are 'reasonable and prudent'. That includes with regard to enforcement costs.

As I explained earlier, the legal costs have risen by a factor of three, from £300,000 to 1975 £900,000. The point I was making is this, sir – and I know it was not lost on the Deputy Chief Minister – is how can we approve these accounts today, when we do so in the knowledge that the Commissioners of the Guernsey Financial Services Commission do not, because of the reasons given by the Deputy Chief Minister, *do not* get involved with enforcement matters and therefore, as a result of that, *cannot* reasonably, make judgments and estimates that are prudent, because of 1980 the absence of the information that would allow them to do so, and therefore *I* determine, sir, that it is not *possible* for the Commissioners to fulfil their obligations under the Financial Services Commission (Bailiwick of Guernsey) Law 1987, as amended, and I shall therefore, *not* be approving these accounts today.

1985 **The Bailiff:** Deputy Le Tocq, do you wish to –

Deputy Le Tocq: I will just make a comment on that. Some of the issues that Deputy Trott touches on are issues that should be the role – and properly the role – of the auditors. Were the 1990 auditors to make recommendations as to changes that should be made, so that that could happen, then it would be appropriate for this House and this Assembly to make, to agree with that, or to debate that, in the proper place. I do not believe today is that proper place, sir.

Deputy Trott: I agree with the comments and sentiments of Deputy Jones and he may

remember the debate around the Policy Council table, much like today.

1995 **The Bailiff:** Deputy Fallaize, do you –

Deputy Fallaize: I just wonder whether the Procureur may be able to offer some assistance or clarification in respect of the point that has been made by Deputy Trott, given that this relates to the functions of the Commissioners under legislation.

2000 **The Procureur:** It is a free vote; Members can vote not to approve the accounts if they so choose, or to approve them and it actually has an effect, unlike proposition 1.

 This Assembly does not have any great difficulty in approving the accounts of the States Home Department, which includes the costs of policing in this Island and nobody would suggest that the Home Department politicians in this Assembly ought to scrutinise every last detail of confidential matters such as that. There must be financial systems – I am no expert and others in this Assembly are – for ensuring that the Commissioners can feel satisfied that the accounts present a true and fair picture, I would have thought?

2010 You can vote against or vote for.

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: Far be it from me to disagree with the learned Procureur, but when he said nobody would expect the Home Department to get involved with operational matters of policing, I can assure him that many people *do* expect us to do that and be able to do that on a daily basis. The sad thing is, of course, that is not only inappropriate, that is impossible and I daresay there may be better ways of arranging things, but at the moment that is also inappropriate for the Commissioners to do so, unless this Assembly chooses to operate in a... for the Commission to operate in a different way, which means a new law.

2020 So I mention Deputy Jones and agree with his sentiments, but I think Deputy Brehaut mentioned issues of the Island being referred to as a ‘tax haven’, *paradis fiscal*, very much in the news at the moment. I think the definition of a tax haven will continue to change, depending on the mood of the people speaking and the economic climate in that particular country. As a result, having gold-plated regulation does not make us immune from being called a tax haven by others. We will have to live with that for the future. My argument is our taxes have and always remained as they are, because we operate very efficiently, very effectively, with no national debt and others may well want to be jealous of that and express it in such ways, but that is the way we have operated and I hope that is the way we will continue to operate.

2030 I have already mentioned that I agree with Deputy Perrot’s comments. I have nothing further to say, so I would ask this House to agree to the Propositions before them.

The Bailiff: Members of the States, the Propositions are on page 1826 of Billet XVII. There are three Propositions. I will put them to you separately.

2035 The first is to note the Report.
 Those in favour; those against.

Members voted Pour.

2040 **The Bailiff:** I declare it carried.
 The second is to approve the accounts of the GFSC for 2011.
 Those in favour; those against.

Members voted Pour.

2045 **The Bailiff:** I declare it carried.
 Thirdly, to appoint the firm of BDO Limited as auditors of the Commission for the current year.
 Those in favour, those against.

2050 *Members voted Pour.*

The Bailiff: I declare it carried.

2055

Billet d'État XIX

2060

REQUÊTE

Simultaneous electronic voting in the States of Deliberation Debate commenced

2065

Article II.

The States are asked to decide:

Whether, after consideration of the Requête dated 22nd May, 2012, signed by Deputy M M Lowe and seventeen other Members of the States, they are of the opinion:

2070

(1) To agree to the introduction of a system of simultaneous electronic voting in the States of Deliberation.

(2) To authorise the Treasury and Resources Department to approve the acceptance of tenders and a capital vote for the installation of a system of simultaneous electronic voting in the Royal Court Chamber charged to the routine capital allocation of the Treasury and Resources Department - Courts and Law Officers.

2075

(3) To direct the States Assembly and Constitution Committee to report to the States regarding any amendments to the Rules of Procedure required to enable the use of a system of simultaneous electronic voting in the States of Deliberation.

2080

The Deputy Greffier: Billet d' XIX, Article II: Requête, Simultaneous Electronic Voting in the States of Deliberation.

The Bailiff: And the debate will be opened by the lead *requérant*, Deputy Lowe.

2085

Deputy Lowe: Thank you, sir.

Today the States has yet another debate on simultaneous electronic voting. That is at least six debates covering nearly 20 years – and that is as far as I am aware of – that amount. There may have been others before then. Conseiller Plant, if I remember rightly was involved in seeking the States approval of SEV on 29th November 1995 after consideration of a report dated 11th October of the Rules and Procedure Committee.

2090

The States resolved that the present system of voting should be retained. Four years later, sir, a Requête was produced, signed by Conseillers Peter Ferbrache, Lowe, Deputies Gollop, Sauvarin, Le Moignan, Flouquet and Prevel. The Requête lost 20-29, with 7 absent and 1 abstention and, as Members may remember, there were 47 Members in those days.

2095

In 2002 during the Machinery of Government debate, I placed an amendment, seconded by Deputy Trott, to include provision for simultaneous electronic voting. The amendment was successful and carried 34 *Pour* and 22 *Contre*. Those still in the States now, sir, voting *Pour* were Deputies Gollop, Trott, Lowe, Jones, Adam, Le Tocq, Quin and O'Hara. The only Member still in the States now who opposed was Douzaine Representative, Mark Dorey, now Deputy Dorey.

2100

Following a further States Report, it was agreed that, during 2005, various essential maintenance needed to be carried out in this Chamber, part of which included the wiring for a voting system. The relevant plugs can actually be seen under your desktops.

2105

In 2006 a report was produced from the House Committee, now renamed SACC, recommending 'no' to simultaneous electronic voting 'at this time'. Another amendment was produced to reaffirm the States resolution of May 2002, but this was lost and the Report was carried, resolving 'no' to SEV 'at this time'.

2110

Five years later, November 2011, SACC produced a Report, as attached to today's Requête, dealing with the outstanding resolution and seeking SEV to be introduced. The Report lost 21 to 23, with 2 not present and 1 abstained. Had everyone been present and voted, we will never know if the outcome would have been different.

So here we are now, July 2012, with a Requête signed by 18 States Members and before moving on I would like to thank them for agreeing to sign the Requête. I know that some felt comfortable, as the wording of the Requête is the same as in the SACC November Report of only nine months old.

The Requête is very simple. It asks the question: do Members want SEV? If yes, they vote

2115 Pour for recommendation 1. Recommendation 2 as follows, authorises T & R to approve the acceptance of tenders and a capital vote for the installation of a system of SEV in the Royal Court Chamber, charged to the routine capital allocation of the T & R Department, Courts and Law Officers. The third recommendation directs SACC to report to the States regarding any amendments to the rules and procedures required to enable the use of a system of SEV in the States of Deliberation.

2120 So that is it. Very simple. Do you want SEV? If yes, please vote 1 and the other two recommendations, with your vote, will enable this to happen with those who... [*Inaudible*]. So why does T & R do this work, you may ask. Well, nine months ago the SACC Report had the exact wording as this Requête and the reason being that SACC recognised T & R have the procurement staff with expertise. SACC have one member of staff, the principal officer and SACC knew last year this route was a sensible way to go, that is why they asked T & R to do the job for them.

2125 I am now going to pre-empt some of the questions and concerns. What about the unknown expenditure? Are we giving T & R the go-ahead to spend a lot of money on a version of SEV? I am sure most, if not all of you, are fully aware that T & R are tightening the purse strings, they will not be looking for a gold version, more a bronze – in the same way, of course, that SACC directed them to do last year.

2130 Why would T & R want to spend more money than is necessary, when there are systems available that cover the very basic SEV? Who would be really comfortable spending extra money on a fancy version with plasma screens, when all we really want are records of how we voted? Plasma screens are an unnecessary luxury. *If* – and it is a big if – these were needed in the future, they could be added in years to come.

2135 SEV fulfils the wish of many of the public: the wish to know how *all* States Members voted on legislation and States reports. Why does this cause some Members a problem? Keeping tradition has been mentioned. When we move with the times, no longer do we have the old tradition of allowing those with a vested interest to stay in a Department or Committee meeting. Transparency and accountability have ruled the day. Tradition has changed many times during the States of Deliberation, both in membership numbers, parishes, districts, committees and now Departments to name but a few, and voting has also changed. No longer do non-States Members have a vote. Traditionally, they did for years. All legislation was in French, traditionally, for years. Accountability was called for by the public and accepted and implemented accordingly.

2140 What about those listening on the radio – but what about the majority who are all at work? At the end of the day, are we really serious about accountability and transparency? Do we run a Parliament and Government around those listening on the radio? The *Guernsey Press*, Island FM, BBC, BBC Channel Islands News, Channel Television – all the media report our debates. BBC Guernsey have informed me previously that SEV would not cause them any problems, as they could read out the names from the lowest vote, so if it was 36-11, they would read out the 11.

2150 There is also this misconception the *Press* print the recorded results anyway, but the *Press* do not print anywhere near all the recorded votes, and why should we rely on the newspaper to do so? At last, all results are now available on the website and with the right software they can be put on instantly. States Members could have the results using their iPads or electronic devices either in here or in the Members' Room if they really want to know instantly.

2155 The question needs to be asked, why are some Members so keen to look backwards during our States meetings; why do they really need to know how other Members voted on a previous report or amendment? The States should be working and looking forward to the following debate, ensuring best use of our time. Yes, it is interesting to know who voted *Pour* or *Contre*, but really, Members, if you did not want to use the electronic devices supplied to you or the Members' Room computer, I am sure waiting until you get home would not be that bad, would it?

2160 So, why isn't the Requête fully costed? How can I or the other 17 signatories get a fully costed system without breaching the tendering rules? SACC knew this last year; hence a rough costing for a type of simultaneous electronic voting was included in their Report, stating there are systems out there on sale that could do the job for no more than £20,000, and that included 50 delegate handsets, central console and power supply, all necessary receivers, aerials, interfaces and software, delivery and installation and programming. Then onto section 16 of the SACC Report, which is attached to the Requête, page 1842. It states that with a budget estimate of £20,000 for the procurement and installation of a wireless SEV system specifically designed, tried and tested for parliamentary voting and capable of being integrated with the digital signal processing audio system...

2170 I have an enormous amount of respect for the principal officer from SACC. He is the only member of staff and has looked at and researched this subject now for several years, if not for

2175 nearly 20 years. Why would more research be needed? Are we saying he did not do a good job at the end of last year and withheld information from us? The letter of comment from the current SACC Members states:

2180 ‘The States of Deliberation should be afforded the opportunity to consider a balanced and comprehensive report which fairly weighs the arguments for and against.’

If Members turn to page 1841, they will see a section from the November Billet covering arguments for and against. Indeed, other comments in the SACC letter dated 7th June 2012 are also covered in the previous Report.

2185 The November SACC Report has, at his own request, on page 1844, a statement of dissent from Deputy Fallaize, who is now Chairman of SACC. Rather than Members turning to the relevant page, I will read it out for you:

2190 ‘Deputy M J Fallaize opposes the proposals contained in this Report and favours maintaining the present voting system. He will therefore speak and vote against these proposals in the States of Deliberation.’

2195 Finally, if this was a Requête seeking £200 million expenditure, then I would be the first to ensure the Report be produced back to this Assembly. The signatories are talking around £20,000, a one-off cost that will, in time, pay for itself. Do you really believe T & R Members are unable to look for the most basic SEV system? Unless, of course, some would prefer an all-singing-dancing system, in which case, do not support the Requête, as we are not looking to spend unnecessarily. The singing and dancing can come when we celebrate more money in the kitty and would appreciate a more up-to-date system. Until that time, trust T & R to get on with the job, please.

2200 So, will the States be decisive? Will the public be disillusioned and say, ‘Here they go again!’ if we vote for another delay before we can finally make a decision? Do we want to be part of a yo-yo Government, or do you want to part of a ‘Yeah, let’s go!’ Government? I ask Members to support the Requête and let’s move forward without any delays. Do we really want to debate simultaneous electronic voting for a seventh time, when a Report attached to this Requête is only nine months old?

2205 Thank you, sir.

The Bailiff: Members of the States, I propose now just to clarify what the rules of debate will be from here on.

2210 Under Rule 17(3), after the Requête has been laid before the States, the Ministers and Chairmen of any Departments or Committees who have been consulted are entitled to speak next, and so the order will be the Chief Minister, then the Chairman of the States Assembly and Constitution Committee, followed by the Minister of the Treasury and Resources Department. Those three individuals are also entitled to speak immediately before the mover for the Requête replies to the debate. After we have had those three introductory speeches, I will then invite

2215 Deputy Fallaize to lay the amendment, and I will be proposing that that amendment, which I believe has been circulated, will be treated as a separate debate, so we will run a separate debate on the amendment, separately from the substantive debate.

Deputy Brehaut, you have a point of order?

2220 **Deputy Brehaut:** Sir, I will acknowledge my request is particularly unusual, but bearing in mind we have heard this morning that the States have been defrauded of such an amount, and this Report would effectively –

2225 **The Bailiff:** Is this a speech?

Deputy Brehaut: It is not, sir. It is not a speech, sir.

2230 **The Bailiff:** Because the Rules say immediately after the mover of the Requête has opened the debate the other three individuals have the right to speak, so unless it is a point of order –

Deputy Brehaut: I was only going to suggest that the *requérants* seek an adjournment to see if they want to continue to replace this Requête at such a time, sir. That was my request.

2235 **The Bailiff:** Chief Minister, do you wish to speak?

The Chief Minister: Thank you, sir.

Given that a number of members of the Policy Council were themselves signatories to the Requête, the Policy Council have no comment to make in relation to the Requête.

2240 **The Bailiff:** Thank you very much.

Chairman of the States Assembly and Constitution Committee, Deputy Fallaize, do you wish to speak?

2245 **Deputy Fallaize:** No, sir. I will speak on behalf of the Committee when I lay the amendment, please.

The Bailiff: Thank you.

Minister for the Treasury and Resources Department.

2250 **Deputy St Pier:** Sir, the views of the Treasury and Resources Department are clear in the letter which was submitted to the Chief Minister, which is part of the Billet.

The Bailiff: Thank you very much.

2255 We come to Deputy Fallaize to speak in respect of the amendment.

Deputy Fallaize: Thank you, sir.

To delete all the propositions and to substitute therefor:

2260 *“To direct the States Assembly and Constitution Committee to prepare a balanced and comprehensive report setting out–*

- *arguments for and against Simultaneous Electronic Voting in the States of Deliberation (SEV);*

- *the costs of different systems of SEV;*

2265

- *the practical and procedural effects of establishing SEV;*

which report shall be presented to the States as expeditiously as possible but only after consultation with the Treasury and Resources Department on those aspects of the report relating to capital expenditure.”.

2270 The amendment should not be interpreted as an indication that the States Assembly and Constitution Committee is opposed in principle to electronic voting. The Committee acknowledges the fact that there are 18 signatories on the Requête is proof, if any were needed, that there is clearly some depth of enthusiasm for simultaneous electronic voting in this Assembly, and it is eager to respond to that enthusiasm constructively and promptly.

2275 A few traditionalists – and in these matters I suppose I have to count myself among their number – would probably regret the loss of the *appel nominal*. However, I think most of us, if faced with the proof of a new voting system which strengthened transparency *and* was more efficient *and* could be installed at no great cost... I doubt that many of us would oppose such a proposal. But, sir, that is not the proposal before the States today, and if any Member thinks that such proof *has* been provided in the proposal before the States today, frankly they have been mis-

2280 sold the case for electronic voting.
Deputy Lowe refers to it as, I think, ‘Yeah, let’s get on and do something’ Government. I appreciate that there is a willingness in this States to get on and make decisions, and if the Requête is approved today, unamended, the States will indeed be able to say that it has made a decision. Alas, it will not be an informed decision, nor one made on the basis of fact, nor one with anything
2285 approaching a certain outcome. If the public are asking for the States to make decisions, I am not sure those are the sorts of decisions they have in mind.

By any measure, this Requête is fantastically incomplete and lacking in even the most cursory detail about how electronic voting might work in practice. It is scarcely aided in that regard by its having been grafted onto a Report which was itself at best incomplete and at worst incoherent and
2290 hopelessly biased, and which consequently the previous States had very little option but to reject. None of the weaknesses and the omissions which led the previous States to reject that Report have been addressed in this Requête. The Requête adds a bit of gloss to that earlier flawed Report, but I am afraid it resembles trying to plaster lipstick onto a pig (*Laughter*) – underneath, it is the same animal or, in this case, the same flawed Report.

2295 What my Committee wishes to do is present to the States in the very near future a balanced and comprehensive Report, setting out in full the arguments for and against electronic voting, setting

out, in conjunction with T & R, the costs of different voting systems, and setting out the practical and procedural effects of different systems. My Committee cannot see that it is in any way controversial, much less unreasonable, to suggest that the States be afforded an opportunity to make such a fully informed judgement.

Sir, if I may be permitted a comment on Treasury and Resources' letter, which is appended to the Requête, the penultimate paragraph of which concludes:

'It would appear to be implicit within the terms of the Requête that the cost of any new system should be held to around £20,000. Adhering to this implicit direction could result in a limited system of electronic voting being put in place.'

They are T & R's words, not mine, not the words of the Assembly and Constitution Committee. I ask the States, sir, do Members really want to constrain themselves to such a limited system?

The wording in the prayer of the Requête, and consequently in the propositions before the States today, is exactly the same as that which was contained in the recommendations which fell when they were put before the States last year. Deputy Lowe has already referred to it. Members will see that there are four arguments, which are set out on page 1841 of Billet XIX.

I have always thought argument (a) was a bit patronising, really, to question the fortitude of States Members in that way, but I do accept, and the Committee accepts, that voting simultaneously would remove any perception of undue influence on Members' votes.

Argument (b) reads:

'It would ensure total accuracy. Votes could not be questioned.'

Sir, if ever I have read a synthetic argument, this must be it. I do not seem to recall the legitimacy of *any* votes being questioned under the present voting system, and any Member has the right currently to ask for a recorded vote, which then removes all possibility of doubt. Argument (b) is just complete nonsense and should be struck out of the case altogether.

Arguments (c) and (d) is where the misrepresentations and the inconsistencies and the contradictions in this proposal are revealed. Argument (c) reads:

'It would create more openness and transparency because a record of individual Members' voting would be retained.'

– and (d) –

'The system could save time.'

Sir, one of those arguments *must* be false because, in the context of simultaneous electronic voting, the two objectives of strengthening openness and transparency and saving time are self evidently mutually exclusive and mutually contradictory. It is possible to conceive of a system of electronic voting which would strengthen openness and transparency. That would require all votes which are currently taken on the voices, *vive voix*, literally in the space of four or five seconds, to be conducted henceforth by a recorded vote.

In addition, under the system put forward last year and upon which this Requête is based, it was envisaged that, in order that electronic voting should not disadvantage people listening to debates on the radio, any Member of the States should have the right to request Her Majesty's Greffier to announce the record of individual voting following the casting of votes by electronic means. That was part of the proposal put by the Committee last year and upon which this Requête is based but, of course, far from saving time, that would consume more time than the present voting system. It may be more transparent, but it will certainly be more time consuming.

Equally, it is possible to conceive of a system of electronic voting which would consume *less* time than the present system. That would require all those votes which are currently recorded by *appel nominal* to be taken by pressing a button, but would also require retention of voting on the voices for all those votes which are currently dealt with that way. That may save a little time, but plainly it would be no more transparent than the present system. All the votes which are currently recorded would still be recorded, and all the votes which are currently not recorded would *still* not be recorded.

Sir, importantly, that is precisely the system which saved time, but which was no more transparent than the present system, which was put forward by the States Assembly and Constitution Committee only a few months ago. In my view, it is a misrepresentation for Deputy Lowe to lay her Requête on the grounds of transparency, because the proposal that was put by SACC will not afford any more transparency than the present system. All the votes which are

2360 recorded now will be recorded in the future, and all the votes which are not recorded would still not be recorded. It cannot be any more transparent in that.

2365 Sir, therein lies the dichotomy in simultaneous electronic voting – the objectives of transparency and efficiency will remain unattainable because they are mutually exclusive – and that dichotomy is left entirely unresolved by the Requête before the States today. Worse still, it is perpetuated in paragraph 3 of the Requête, which states, with brazen inaccuracy:

‘In your petitioner’s opinion, electronic voting would bring about efficiencies as well as resulting in an open and transparent system.’

2370 It is self-evidently not possible to deliver both objectives with one system.

2375 Sir, in laying this amendment, the Committee is merely recommending that the States should seek to address that dichotomy and other details and resolve exactly which form of voting it wants *before* T & R is sent away to purchase the system and before SACC is sent away to change the Rules of Procedure. What we envisage is a Report which sets out properly and fully the options for different voting systems, with each one presented as a coherent package, laying out its costs, its advantages and disadvantages and its practical effects. Then, and only then, can the States make an informed judgement about which system it prefers. My Committee cannot see why the States should deny itself such an opportunity to make an informed judgement.

2380 Sir, I have no desire to thwart the States’ enthusiasm for electronic voting if that is what a majority of Members want. SACC recognises that, more than most Committees, it has to be the servant of this Assembly. We want the new States to have its own opportunity to consider the merits of the many different versions of voting, including simultaneous electronic voting. We want to return to the States promptly, but we also hope that when the States resolves what voting system it wants in the future it will do so on the basis of fact, having had the benefit of a balanced and comprehensive assessment of the different voting systems which might be available, which is the very opposite of the Requête which is presented to the States today.

On that basis, sir, the Committee asks the States to support the amendment.

2390 **The Bailiff:** Deputy Dorey, do you formally second the amendment and reserve your right to speak?

Deputy Dorey: Yes, I do, sir.

2395 **The Bailiff:** Thank you.
Deputy Brehaut.

Deputy Brehaut: Thank you, sir – and this *is* a speech on this occasion.

2400 I think there are defining moments in history and politics that you sit through and you may be oblivious to it until later, and I think today in this Assembly we had the States of Deliberation *prior* to the defraud, and now we have a States that will ever be after, post defraud, and the question is how did the Assembly behave?

2405 On the day that they found out this Assembly had been defrauded – the people of Guernsey were defrauded – by that amount, the very next thing they did was went on to commission a £20,000 spend for something that they want for *them*. Because the grounds of accountability are spurious. If we look at the Houses of Parliament – the division bell, the lobbying, the powerful tradition of walking across to join another queue to vote against your government... That is not theatre. That is real politics and actions and people demonstrating commitment.

2410 Everything I am saying here now, if I am not talking too quickly, will be recorded in *Hansard*. When I vote, the Deputy Greffier will call my name and after my name I will vote. That is perfectly accountable. I do not have an issue and I would not suggest, incidentally, *any* change because I prefer the current system. But there is a way out of this for Members today. There is a get-out-of-jail card for you, to take you out of that tortuous decision of what you are going to do in the light of this defraud, and that is to support this amendment and move on as quickly as possible.

Thank you.

2415 **The Bailiff:** Alderney Representative Arditti.

Alderney Representative Arditti: Thank you, sir.

2420 I am content to speak both in relation to the amendment and the main debate.

The Bailiff: Thank you.

2425 **Alderney Representative Arditti:** This Requête asks us to spend taxpayers' money, now estimated at £20,000, previously estimated at £70,000 – or more for the proper job – but for what benefit? What benefit will the public derive from this expenditure?

Let's be clear: this proposition has nothing to do with accountability or transparency. I understand those who signed this Requête who felt that electronic voting should be debated. This topic resurfaced during the Assembly elections in May and therefore it needs to be put to bed one way or the other. In my view, it follows that no-one who signed the Requête is under any

2430 obligation to vote in favour of the proposition today.

The important feature of the current system is that *any* Member can call for a recorded vote. No justification is required. We just need to ask before the voting begins. If a recorded vote is requested under the current system, the vote is 100% transparent and we are all 100% accountable to the public for the votes we cast. If a recorded vote is *not* requested, it means that we, 100% of

2435 us, are unanimous that on the *particular* issue – for example, whether to sit for an extra half an hour to finish our business – no useful purpose will be served by recording our votes. Furthermore, the public would not thank us for wasting precious time and money in what could amount to mere democratic posturing.

I must confess that I find it irritating when something masquerades as improved transparency and accountability when it is nothing of the sort. So, if electronic voting is *not* about transparency and accountability, what is it about? As I understand it, some of us are concerned that some of us are influenced by the voting of others whose names on a recorded vote might be called to vote ahead of us. A similar point was made against open voting in the elections at the beginning of the month. It was said that these had to be secret; otherwise we might be intimidated into voting in a particular way. Now it is said, in relation to electronic voting, that we might be influenced by others if we hear their votes *before* we deliver our own vote. This strikes me as no less patronising of fellow Deputies now than it was in May – and at this point I would just like to assure the Assembly that Deputy Matt Fallaize was not in my hotel room at six o'clock this morning when I was preparing this speech with the word 'patronising'. I thought that word up all by myself!

2440 (Laughter)

But apart from the comment that it makes on fellow Deputies, surely this point about influencing each other's votes misses one of the principal reasons why we are here. Surely we are gathered here for the very *purpose* of being influenced by others. Surely that is the purpose of an Assembly – to exchange views, to hear and be influenced by others who may be better placed to know about a particular subject, or may be better able to articulate the arguments. I shall confess

2455 now I have often seen issues in a different light thanks to those Deputies who take the trouble to assemble and marshal their views in debate. I am grateful to them. If we are just going to hold on to our prejudices, perhaps we could spare the taxpayer the expense of the Assembly and all stay at home? We could send the Bailiff a list of our prejudices and ask him to apply them to each Billet item on our behalf! (Laughter) We are here to listen and learn and to be guided by those who, on a particular topic, may know more than we do...

2460

What this Requête is really about is simultaneous voting, and I do not see any value for money for the public in this. I do not understand how simultaneous voting, electronic or otherwise, adds to the democratic process in any meaningful way. On this basis, it would not matter a jot, in my

2465 view, whether we support or oppose the proposition, but for one thing: the expense to the taxpayer. While I am willing to put a very high price indeed on transparency and accountability, I cannot see that simultaneous voting does any of these things.

I welcome the Fallaize-Dorey amendment and, if passed, I look forward to learning what, if any, benefit simultaneous voting would confer on the public and how much a *proper* simultaneous voting system would cost the public. If the Fallaize-Dorey amendment is not passed, I regret that I am very likely to vote against the proposition brought by this Requête.

2470

The Bailiff: Thank you.

I was going to call next Deputy Duquemin to make what I believe would be your maiden speech. It is 12.27 p.m. – do you wish to speak now, or do you prefer to speak on a full stomach? Do you prefer to wait until after –

2475

Deputy Duquemin: Shall we wait until after lunch?

2480 **The Bailiff:** Wait until after lunch. Does anybody have a short speech?

Deputy Le Lièvre caught my eye. Do you have a short speech, Deputy Le Lièvre? (Interjection)

and laughter).

2485 **Deputy Le Lièvre:** It is fairly short, sir. *(Laughter)* No, it is actually no more than four minutes, I would have thought, sir.

The Bailiff: Still too long. We have got two minutes. Anybody want to speak for two minutes? If not, it is warm in here – I think people probably want to break for lunch.

2490 I propose, then, that we rise and we will come back at 2.30 p.m.

*The Assembly adjourned at 12.28 p.m.
and resumed its sitting at 2.30 p.m.*

2495

REQUÊTE

2500 **Simultaneous electronic voting in the States of Deliberation**
Amended proposition carried

The Deputy Greffier: The debate resumes on Article II, Requête: Simultaneous Electronic Voting in the States of Deliberation.

2505 **The Bailiff:** I will call, first, Deputy Duquemin to make his maiden speech.

Deputy Duquemin: Thank you, Mr Bailiff.

2510 Unlike some Members, I will not and do not feel that I will be one of the people that needs to be a regular on my feet, but I make this speech today for two reasons. Firstly, I want to make some simple, yet, I hope, pertinent remarks that will add value and direction to this debate. Secondly, in anticipation of the applause that might follow, I make my maiden speech at a time when my role as captain of the States cricket team that beat our Jersey counterparts for the first time (**Members:** Yes, hooray!) *(Applause)* in a long time is fresh in everybody's memory. *(Interjection and laughter)* Thank you, Mr Bailiff. *(Applause)*

2515 Seriously, the Requête's introductory remarks before the carbon copy of November's policy letter makes mention of openness and transparency and those two buzzwords have certainly been doing the rounds in the House today. Although this benefit is, in principle, something to be derived from its adoption, it really is not the case. I was surprised to hear on the radio this morning, Deputy Lowe talking about today's policy letter, and referring to that as one of the main benefits

2520 of the Requête; it is not.

As has already been said, openness and transparency already exists. I can tell you, from looking at the voting records on gov.gg, that when the matter was last debated in the House in November, not one Castel Deputy voted in favour. Six voted against and the other abstained. I know that.

2525 Sir, I can also tell you that one member of our Policy Council voted against the proposals in November, but it is interesting that just a few months later, after the Election, he appears to be passionately in favour of the exact same carbon copy policy and signed today's Requête.

2530 Deputy Fallaize is right when he refers to paragraph 21 of the policy letter, where it does say that the *vive voix* will be retained for routine matters. If simultaneous electronic voting is only used when a Member calls for it, we really are in exactly the same place as when we started.

2535 Sir, there are two good reasons to support the move towards SEV and, for me, the clue is in the name: simultaneous electronic voting. The two key words are 'simultaneous' and 'electronic' and I would disagree with Deputy Fallaize on this point, because I do not think they are mutually exclusive. Let me start with 'simultaneous'. If the integrity of the *appel nominal* method is to be 100% indisputable, completely without question and we remove any accusations otherwise then, in a way, why is there any need to rotate the districts called, when a recorded vote is taken?

2540 I cannot believe that Members are never influenced by the votes of others and I have even heard a Member of this States say to me that it was useful in deciding how to vote. A push button system puts the onus on each and every States Member to make their own mind up and not, effectively, ask the audience or phone a friend.

Let me move on to the second word, 'electronic'. An electronic system *will* save time. Last year there were 65 recorded *appel nominal* votes and I believe this figure is only going to increase.

Assuming that each takes, on average, five minutes for the roll call, but also for the counting – and that, perhaps, is a conservative estimate – that equated last year to nearly 5½ hours of States time. With 47 Deputies and Alderney reps, that totals 254 man and woman hours. After only a few months in the role I am well aware that the majority of our good work takes place outside of this House, both in Departments and Committees, but also in our constituencies. These 254 hours could, and should, be put to better, more productive use. Sir, I am sure that your time and that of the Procureur, Comptroller and Greffier and other officials could also be put to alternative use.

To sum up, please let us not get bogged down with all this cliché talk of openness and transparency, but let us focus on the two main benefits of SEV and, remember, the clue is in the name. I support the direction before us today and I finish by saying I support the direction, but I would ask SACC to come back, Deputy Fallaize, to say how quickly he could come back with a complete solution and perhaps even investigate how, with some inexpensive, bespoke software, even the iPads could be used as our handsets and bespoke, made-to-measure software could be created to make it happen. I want to see SEV as soon as possible – and, remember, the clue is in the name. (*Applause*)

The Bailiff: Deputy Le Lievre.

Deputy Le Lièvre: Mr Bailiff, Members of the Assembly, Deputy Lowe defines a yo-yo government as one that said ‘no’ on six previous occasions... I thought I was indecisive but, given this new definition, I am not so sure! (*Laughter*) She also reminded me that Members were invited to go to Frossard House to sign the Requête, but I am afraid in my case, my enthusiasm to sign it was overwhelmed by the thought of driving across the Bridge. (*Laughter*) It is not that I have anything against electronic voting, other than the fact that we would lose just a little bit more tradition for the sake of alleged progress and transparency.

What truly bothers me is the nature of the conversations we are now having within Education and, I would guess, are very similar to the conversations that are taking place in HSSD. Finding £6 million or £7 million worth of savings in Education services and £8 million worth of savings in Health terms rather concentrates the mind because, at some stage, services currently considered as essential, are going to be reduced or cut completely. Alternatively, what was once free will be charged for. When you charge for services, there will always be those who cannot afford them. It is as inevitable as night follows day. To pretend otherwise, is to have your head in the sand.

Together with every other person here today I wish that the tables were reversed and that Education was faced with the knotty problem of having to decide how to spend an *additional* £7 million, but that is not the case. I appreciate that expenditure on capital may be regarded as different from revenue expenditure, but the source is the same and the acid test is one of essentiality and it applies equally to both capital and revenue expenditure. This item of expenditure is not essential for the purposes of fiscal policy. It is not essential for social policy purposes and not even J K Rowling could conjure up a spell to make it essential for environmental purposes. It is non-essential expenditure. Yet from here on in, every penny has to count.

Of course, in States terms, £20,000 is not very much. However, £20,000 to £25,000 is the cost of a junior nurse for a year. It is more than half the cost of a midwife, health visitor or a theatre nurse. £20,000 is half the grant paid by Education to shared sexual health and relationship programme. £20,000 to £25,000 is a very large part of the grant made by the Social Security Department to one of our most important welfare play/pre-school groups. So £20,000 might not sound a lot, but it can buy quite a lot.

Education is looking at every and any way to save funds, which will not impact on the level of education received by our children and grandchildren, but at some stage the knife is going to fall on an area which is contrary to that desire. At that point, every Member of Education is going to have to be ready to explain why the Board has made those cuts. To any parent or grandparent, the education of their child or children is probably the most important thing in their lives – after the child’s health. They will want to know that every feasible avenue has been explored before any particular service is reduced or removed completely.

When I explain why Education has made such a move, I want to be able to look them straight in the eye and tell them that *we* – and I am now talking about the Assembly – did all we could to save money but, at the end of the day, there was no alternative to reducing a particular service. I want to be able to do that without the slightest pang of conscience.

Spending £20,000 on some nice-to-have, but totally unnecessary natty electronic wizardry is not sensible at this time. If we were awash with dosh, then maybe it would be okay but, clearly, that is not the case. Spending taxpayers’ money on such a frippery is like a household buying a flat-screen TV, while the gaping hole in the roof goes unattended. As my wife pointed out, it is like

2605 buying perfume, when there is nothing to eat in the larder – and she should know! (*Laughter*) You just would not do it in your own home and the same rules apply here.

I would suggest that, today, we put aside our desire to indulge in a little retail therapy and kick this Requête into the long grass where it belongs. That is until such time as the Island is better able to afford such expenditure. Please do the sensible thing and vote against this Requête.

2610 Thank you, sir.

The Bailiff: Deputy Conder, you caught my eye this morning. Do you still wish to speak?

Deputy Conder: Yes, sir.

2615 **The Bailiff:** Then Deputy Storey.

Deputy Conder: Mr Bailiff, Members of the Assembly, I must learn not to follow Deputy Le Lièvre in future – the short straw, I think, but I will do my best.

2620 In commencing, I would like to reflect on what Deputy Brehaut said earlier. I think the shocking news we had earlier this morning is a game changer and potentially a life changer for some of our less fortunate members of our community – £2.6 million is a huge amount and will impact much further than we might anticipate at the moment. I will, nonetheless, make the speech that I intended to, but I do think we are now speaking in a different context.

2625 Sir, I am pleased to have this opportunity to speak with regard to the introduction of simultaneous electronic voting and I am very grateful to Deputy Lowe for bringing this Requête before the States Assembly in such a timely way. I am a supporter of SEV and, under normal circumstances, I would hope and expect to see it implemented within a foreseeable timeframe. However, on this occasion, regardless of what we heard this morning, I would urge a little caution and further consideration before we proceed too fast down the path of selecting any one system.
2630 As you would expect from a superannuated academic, I have done some research on the various systems of SEV. I would not say that was an unalloyed pleasure and I know Deputy St Pier and Deputy Soulsby have commented on in the past on the boring nature of accountants and their profession and, as a fellow accountant, I heartily agree with them. However, if you like being bored I cannot recommend strongly enough spending some time researching electronic voting systems.
2635

The new States has committed itself to greater transparency in its proceedings and I think, by implication, a closer relationship with the electors. Our traditional system, based as it is on *vive voix* and *appel nominal* is paradoxically about as open and transparent a system as is possible in the modern age. Under our system members of the public in the gallery can see and hear how each of us have voted. The public listening on the radio can hear how we have voted and the media reporting these proceedings can make immediate comment on our deliberations and actions. Who knows, one day – and I hope it is soon – when these proceedings are televised, as they are in most western democracies, the general public will be able to see and hear our deliberations in real time.
2640

2645 The introduction of a simple, basic SEV system - and it would have to be simple at the cost proposed in the Report of November 2011 would, I believe, jeopardise the transparency of the voting process and the intimacy of our link with the electorate. In most modern, western democracies there are many systems of voting within parliamentary chambers, including roll call, electronic voting, ballot papers, show of hands, standing votes and divisions, such as in the United Kingdom's Houses of Parliament. Our system is largely based on roll call voting with elements of some of the others.
2650

Traditionally, most western democracies' roll call or ballot-based systems have prevailed, but it is true to say that the majority are moving towards some form of electronic voting. However, when introducing electronic voting, nearly all legislatures have been conscious of the issues surrounding immediacy of information, transparency and public reporting and they have endeavoured to find ways of maintaining that transparency and a direct link with the voting public. In the United States, six state legislatures still maintain the traditional roll call system; another 12 use a combination of manual and electronic roll call voting. In these situations the clerk still orally calls a roll, when a member's vote is entered into a computerised system. By using this method some of the formality and perhaps transparency of a roll call vote is preserved, but it also provides the clerk with the advantages of a computerised system. The remainder of the United States legislatures use a combination of other systems, but these are increasingly electronically based.
2655
2660

Sir, in most electronic systems vote display boards are utilised within the chamber and I believe, if we are to go to an SEV system, we have to have vote display boards. In eight of the legislatures in the UK, those vote display boards fade back into the walls of the chamber to

2665 maintain the appearance of the chamber. In many electronic systems every roll call is immediately fed into an on-line database that generates an objective profile of the voting choice of members. Voters – the electorate – are therefore able to obtain detailed information of their representatives' political activity and voting records, easily and at no cost. That is real transparency.

2670 Across Europe many parliaments are in the process of transferring to electronic systems. They include European institutions, the Italian parliament, various regional, provincial governments and I notice this morning we had details of the Estonian system left on our desks. I found an even more obscure one, which is the Albanian parliament which has 170 seats and introduced a sophisticated system, which included electronic voting, voter display boards and a computerised public address system, video recording – and I think we would like this one – a speaker time management system, (Laughter) the latter of which, sir, I venture to say you and others might welcome.

2675 As indicated at the beginning of my speech, I strongly endorse the proposal to introduce SEV, but only provided the critical components of immediacy and transparency are maintained and at a minimum, I believe, this must include in-chamber voter display boards. Having slogged through the various publications and learned treaties, it is obvious there are almost as many systems out there as there are legislatures. I believe it to be essential that we identify a cost and cost a system that properly meets our needs and we need to identify and consider and debate those needs, before we finally decide upon a system.

2680 Sir, I have heard more experienced colleagues say that we have debated and considered this proposal for too long and we now need to make a decision and get on with it. Actually, I have not been considering this for a very long time and neither have 21 of our colleagues. We have been in this Assembly for just three months and I, for one, want to know a bit more about what is available and of implications for our legislative process, before making a decision. To that end I am prepared to wait for just a few more months. I do believe in electronic voting. At some stage we will have it in this place. As I said, I am delighted we are debating this so early in the life of this Assembly and again thank Deputy Lowe for providing this opportunity but, on this occasion and particularly in the circumstances that we are today, I will vote for the amendment, in the belief that we need more time to consider this and the circumstances might well have changed.

Thank you, sir.

2695 **The Bailiff:** Deputy Storey and then Deputy Bebb.

Deputy Storey: Thank you, sir.

I would commend Deputy Le Lièvre for his excellent speech. As a result of that I will be leaving out the bits I have prepared on financial matters, because I think he covered them perfectly adequately.

2700 I have to admit to being a bit of a traditionalist. The original democratic processes, originating in Greece and the UK, both embraced – and in the UK continue to embrace – the requirement that representatives' votes are immediately visible and audible to those they represent. I am assured by my psychologist at home – my wife – that immediate feedback is always the most effective and satisfying for all participants in any engagement. We have this immediate feedback with our existing system, so my question is, why change it? Where is the evidence of the damage done by our existing system, using *appel nominal*?

2705 More importantly, sir, I ask why are we spending more time and potentially more money, only some nine months after we discussed this relatively frivolous matter, when we *should* be spending time and effort on considering how we can achieve matters of more import, such as achieving the FTP savings we need to make? I know which matters come higher up in my electorate's concerns at the moment.

2710 Sir, I am concerned that, these proposals will lead to the erosion of the proceedings of this States of Deliberation. We are being asked to approve changes without the opportunity to take a fully informed and fully considered decision. Again, I ask the question, where are the facts to support the proposals?

2715 The case for the changes are set out in paragraph 10 on page 1841 and when I looked at them, this was my reaction. The first, (a) influencing Members' votes: well, sir, surely this is the whole point of having a debate? The clue is in our name: the States of Deliberation. The whole point in speaking in any debate is in the hope that we will be able to influence other Members' views and the way that they will vote on the matter under consideration. That, by definition, must be what a debate is all about. Secondly, accuracy. I ask when was the last time the result announced by the Bailiff after an *appel nominal* was questioned? I cannot remember such occasion. Thirdly, the proposed system would *not* be more transparent and, more importantly, would not be available immediately. Fourthly, how much time would be saved, especially if Members asked for the

individual votes to be announced. That would take almost as long as making the *appel nominal* votes process.

2730 Sir, I believe that the electorate want *all* those elected to represent them, to hear how they speak and how they vote. They do hear, as a surprising number actually listen to what is said in this Chamber on the radio. They want to hear our contributions to the deliberation and they want to hear how we vote, not just read the next day the views of those selected by the *Guernsey Press* in their reports.

2735 In addition, I feel that Guernsey's heritage, culture and identity were so ably emphasised by you, sir, in your excellent speech to the Prince of Wales last week. I congratulate you, sir, if I may, on the very strong speech, setting out our history, heritage and constitutional situation. I believe these proposals will erode some of our heritage, so the robes worn by yourself and by the law officers and by the jurats are not chosen for their convenience – especially in this sort of weather – but you wear them to emphasise our history and heritage. Our system of voting in this Chamber also emphasises our history and heritage. Heritage, culture and history define our community. In
2740 my opinion we need to foster them, to reinforce our independent personality.

On a lighter heart, perhaps I could digress slightly to say that I understand that microwave cooking is known as ping-cooking and I believe that these proposals will introduce ping-voting to this Assembly. To me ping-voting will be neither open, efficient, nor immediate – and all this just to save a few minutes. It may seem clever, but I think it is not very intelligent, nor democratic.

2745 If we have electronic voting at the beginning, how will it end? Will we get to the point where perhaps it is okay to vote from the Members' room on your iPad, or maybe Members away on States business should be able to vote on their iPads, or maybe just Members who are not here ought to be able to vote on their iPads, or even part-time Members could vote from their offices on their iPads? No, I do not think this is a good idea. I believe it is the start of a slippery slope.

2750 Sir, I am not against progress or change for good purpose, but I believe that the proposals put forward in this Requête will erode our heritage for *no real advantage*. I would urge all Members to support the amendment and I would like to add, sir, that if the amendment is not carried, I will vote against the proposals.

2755 **The Bailiff:** Deputy Bebb and then Deputy Soulsby.

Deputy Bebb: Members of Departments and Committees will have recently been asked to respond to the Scrutiny Report concerning States Resolutions. The findings of the Report were simply that we currently are not following through on all resolutions made in this Assembly as well as we could and that all Departments and Committees should monitor more closely that they comply with the resolutions passed here, or come back to the Assembly for rescinding resolutions.

2760 Sitting on three Committees, as I do, I can confirm that all three fully supported the Report's general findings, but there is a dual responsibility here. This Assembly should pass appropriate and well-considered resolutions. In this regard I would ask that we consider the quality of our resolutions. The Requête, as it stands, asks the Assembly to agree to the introduction of simultaneous electronic voting, to ask Treasury and Resources to start the tender process for SEV and, finally, to direct the States Assembly and Constitution Committee to consider any changes necessary to the Rules of Procedure. The first asks us to express a will, the second to buy, the third to consider the implications. Surely, this is putting the cart in front of the horse? What if this system that T & R propose, having been fully costed, comes to £50,000? What if the proposed amendments to the Rules of Procedure are not acceptable to the Assembly? We would be left with a resolution that would be half pregnant and, as we all know, one cannot be half pregnant.

2770 The amendment seeks to lay all the benefits, disadvantages, costs and procedural changes before the Assembly for our consideration so that Members can make an *informed* decision. To make reference to the previous report I would ask all Members to note the estimated cost of £20,000. If I may, this is pure manna for IT consultants. We frequently have a vision of IT consultants as bespectacled geeks sitting in darkened rooms, gleefully staring at their computer screens. This is rather a benign image that simply is not true. As one of these bespectacled geeks, the thought of being asked to design a system for £20,000 is akin to asking a second-hand car salesman to give you a car for £20,000. I doubt that he will roll out a Rolls-Royce. I am certain that were he to roll out a Roller, we would all be rightly dubious, but we place the decisions of what is the appropriate vehicle for us in the hands of another person whose main interest is not *our* pockets, but is in *his* pockets. Such estimates should have no place in our resolutions. We should ensure that the correct specification is in place and that the tender is based on this specification. In
2785 times of financial constraint, even more so.

Having heard the news today, I am sure that we would all agree that we need to ensure

appropriate expenditure of the public purse. This amendment seeks to ensure that the Assembly is given the appropriate information to achieve this. I would, therefore, ask all Members to support the amendment, so that we may have a properly costed solution to what I realise is a desire by many to see the introduction of SEV.

Thank you.

The Bailiff: Deputy Soulsby and then Deputy Hadley.

Deputy Soulsby: Sir, without electronic voting we will continue to be an analogue States in a digital world. This amendment simply appears a delaying tactic to force us to expend time, money and yet more paper on a report telling us what we already know.

I used an electronic voting system in Westminster recently. I am happy to report that it is simple to use, easy to understand and quick to produce results. I also took the opportunity, during the recent historic cricket match against our Jersey counterparts, which Deputy Duquemin has already been pleased to remind us of today, to ask our visitors what they thought of electronic voting, bearing in mind that they have been using it for the last eight years. They were unanimously of the view that they would not be without it. Not only are the results fully recorded and made publicly available without any manual input, it has also saved a lot of parliamentary time.

We do not need another report. There have been enough prevarications and debate on this issue in the past. We have seen today that there are bigger issues we need to deal with. This States just needs to get things done. That is why I signed the Requête and I do not support this amendment.

The Bailiff: Deputy Hadley and then Deputy De Lisle.

Deputy Hadley: Mr Bailiff, I rise to support the previous speaker.

I was delighted to have been re-elected and very pleased to find that I would be sitting with 22 new Members. I look forward to real positive change and an end to prevarication and delay.

Today, I have listened to the debate. Deputy Lowe started off by giving a very brief introduction to the debate, to the Requête, and brief it needed to be, because all the information we want, to my mind, is in the Billet. The fine detail as to exactly what system we were having or whether or not you still have the same rules regarding *appel nominal* can be sorted out afterwards.

First of out the starting block was Deputy Fallaize with, as I see it, a delaying tactic. We need an amendment like this like a hole in the head. We do not need to waste more staff time producing another report, rehashing many of the arguments that we have seen today. We know all of the arguments. If you want electronic voting, then vote for it. If you do not, then do not vote for it. Just another delay is not what this Assembly should be doing.

As far as the cost is concerned, to say that the States of Deliberation, with a £370 million budget, cannot afford £20,000, or thereabouts, to make the States operate more efficiently, really is absolute nonsense.

I would urge Members to throw out the amendment and vote for the Requête.

The Bailiff: Deputy De Lisle to be followed by Deputy Perrot.

Deputy De Lisle: Thank you, sir.

As a *requérant*, I fully support the adoption of simultaneous electronic voting for the States of Guernsey. I believe very sincerely that the voting order, for example, for the *appel nominal* had become an issue for change in the last States, in that many were concerned about being either first or last in the order of the voting. That was changed and I think that this is a natural movement on from that particular change – an advance, if you like. Also, I believe that we should be using technology where that technology is available, and I think the States have been slow from that point of view. We certainly would not have the finance industry that we have today if we had not been quick in adopting technology and we were lucky that the IT technology followed through and came with that transformation of this Island into the computer age.

But we have been slow in other areas. I have mentioned that in areas I feel we should have been adopting the latest technology and proving ourselves to be the first in many areas, and I have said this in terms of the developments on the airport, for example.

I believe that it would remove any possibility... not only a perceived effect of one Member's vote influencing another, but the *actual* effect of one Member's vote affecting another, that I have seen in the States here over the past two sessions. I would hope also that it would save time in our deliberations. Certainly I would expect that through the session.

2850 Having spoken also to people in Jersey – some of the parliamentarians there – but also having had the opportunity through the CPA of visiting the Isle of Man and seeing the system they had there of simultaneous electronic voting, and actually having the opportunity to utilise the system and see the way that it worked through a mock debate that was put on for the Members from Guernsey who were visiting there, I realised that it is a system that would help us no end in terms of –

2855 **Deputy Brehaut:** Is the Member speaking on the amendment or the general debate?

The Bailiff: I think many people are speaking on both, as far as I can see. I am making a note of where I consider they have spoken on both.

2860 **Deputy De Lisle:** I thought that would have been clear to the Member. (*Interjection*)

One thing that I would like to bring out, though, that they have in the Isle of Man, is that they have a display board fitted in the Chamber, whereupon, as soon as the simultaneous voting takes place, it lights up and provides the details of each Member's vote, together with a bar chart indicating the two sides of the voting equation. I think that that would be very useful and I think, if

2865 this is to cost less than the £20K, perhaps we might be able to build that particular system in so that there is a display board which indicates to everybody in the Assembly very readily as to how the vote was carried.

So I would like to appeal to Members to support today this introduction.

2870 Thank you, sir.

The Bailiff: Deputy Perrot and then Deputy Ogier.

Deputy Perrot: Mr Bailiff, I openly admit that I sought out Deputy Mrs Lowe in relation to this Requête. Seriously, it is right up there. My name is right up there on the first *requérant* after Mrs Lowe. In this, as in many other matters, I am an enthusiastic disciple of Mrs Lowe, except perhaps for joining up with a team which plays rough games such as cricket – sorry about that! (*Laughter*)

2875

I have to apologise to her and to Members of the States, because I cannot now support this Requête and it is only fair that I should say why. I say this, and the reason for my *volte-face* is because in my study at home I have got a list of all the promises which I made to the electorate. (*Laughter*) Anybody who saw my election manifesto will know that there were not actually all that many promises, (*Laughter*) so perhaps I was a bit sly about that, but one of them was this, and it was that I would not vote for anything unless (a) we could afford it and (b) it was necessary *now*.

2880

I suppose in the great scheme of things we can afford it, despite the appalling news which we received this morning about the loss of £2.6 million. Twenty-thousand pounds for this sort of thing is relatively small beer in States spending, but it is nevertheless spending which was not originally catered for. But, in my view, it is not necessary.

2885

I think, actually, it is quite a good idea and I think that one of these days it *will* come in, and I do believe that people *are* influenced by listening to the votes of others ahead of them in the queue. I do believe that. I have seen that, or at least I saw that in the old days. But I realise that, in my anxiety to put myself in a good light with Mrs Lowe, (*Laughter*) if I carried on like that, I was not going to be honest with the electorate, and that is why I am afraid I must change my mind and I cannot support this Requête, and for the same reason I cannot actually, at this time, even support the amendment.

2890

2895 **The Bailiff:** Deputy Ogier.

Deputy Hadley: Mr Bailiff, sir –

2900 **The Bailiff:** Deputy Hadley.

Deputy Hadley: – on a point of clarification, isn't there a budget, in effect, for this? Wouldn't the money come out of the money for administration of the courts and the Assembly?

2905 **Deputy St Pier:** That is the proposal, yes, sir.

The Bailiff: Yes, thank you.

Deputy Ogier and then Deputy Gillson.

2910

Deputy Ogier: Thank you, sir.

I am here not to bury SEV, but to praise it. However, it is not as simple as Deputy Lowe would have us believe. It is not a question merely of do we want it or do we not. There are many other considerations, for example at what cost; will it take more time; how will the information be disseminated and at what speed? We do not *just* want a record of how we voted. It is not *just* about having such a record. We need to think about how the information is accessed.

2915

To me, the spectre of having 80% of electronic votes read out so that States Members can assuage their curiosity immediately is a very retrograde step. Some Members think electronic voting will save time. Well, it won't. It was acknowledged at the last debate that SEV would take longer. The process of pressing a button itself may be slightly quicker than a recorded vote, but with 80% of votes having to be read out for curious States Members, there will not be any time saving and SEV is likely to take longer in practice.

2920

Deputy Lowe tries to head off questions at the pass in her opening speech when she talks about all the people at home who listen and will not hear the votes any more, and she asks, in response, 'Well, what about those at work who don't ever get to hear those votes and would like to know the results of the Members' voting – what about them?' To me, it is not a question of sacrificing either group of interested parties. We are not here to make things worse for one group, to make things better for another, especially when there is a way to satisfy both groups, and that is introducing the electronic voting which has an immediate feed to a website. It is not about being decisive or indecisive, as Deputy Lowe suggested earlier today; it is not being part of a yo-yo Government. I feel perhaps Deputy may have been trying to scare Members into voting one way by such allegations. We have to make the right decisions, not just any old decision.

2925

2930

I could not write down rebuttals to all the statements Deputy Lowe made quickly enough, I am afraid, this morning, but Deputy Lowe tells us we can have the results immediately on our iPads. That is new information. We were not told that last debate. We were told the information would be posted on to the website hours later and that we could expect 80% of electronic votes to be read out, which was a clear reduction in efficiency. I did not know results would be posted to an iPad immediately. That was not in the Report last time, nor is it mentioned in the Requête. That is a considerable deal changer. If you can have it on your iPad immediately, you can have it on a website immediately, which means people listening at home can access it immediately. When I raised that earlier this year, that was not going to happen; so somewhere between the Report earlier this year and this Requête, things have changed, but those details are not anywhere to be read.

2935

2940

If the system has been updated since January, I would have liked to see how. I do think there is something to be fixed with electronic voting. I think we have maybe all seen on occasion an *au voix* vote which is very close, and when someone subsequently asks for a recorded vote, suddenly, strangely, turns out not to be very close at all, when Members actually have to put their names against their votes. I have seen occasions where votes have changed between an *au voix* vote and an *appel nominal* when people actually have to register the way that they vote, so I definitely think there is something to be fixed there.

2945

2950

I think votes should be recorded more often, which they would be with electronic voting, so for me SEV fixes transparency issues and it makes voting more robust. I think there is a way to achieve further efficiency and transparency, but I would like to know how that would be achieved, which is why I am interested in seeing a further report, as the implementation of electronic voting, as envisaged earlier this year, was far from ideal. It suffered from many unnecessary downsides, which could, and should, easily be fixed.

2955

I envisage electronic voting with votes being collated by the Greffier and posted onto a website seconds later, once the accuracy of the information had been proved. People at home would be able to access it straight away. States Members would be able to access it straight away on their electronic assistants, whether it be iPads or laptops. That would remove the need for 80% of votes to be read out, so electronic voting would be quicker. It would remove the need to wait for hours to see the results on a website, so it would mean people at home get to see the results straight away. It would make things more transparent and immediate. I do not see there should be too much drama in implementing that, but I do not see that proposed system anywhere in here, and we were specifically informed that was not how it would be implemented when we last discussed this in January.

2960

2965

Deputy Soulsby calls the proposed report 'more prevarication'. Well, I do not see it that way. All of us obviously do not have a common view of what kind of system would be implemented, and I think it is something that we need to know.

So I support SEV, but I do not support it if it makes things slower when it does not need to. I

2970 support SEV, but I do not support an implementation which makes us more inefficient. I support
SEV, but not a system which brings with it many downsides when it does not need to. I hope to
read in the report how we plan to fix these issues.

I do commend Deputy Lowe for her commitment to electronic voting, and if we can now iron
out a few last kinks, we should have it.

2975

The Bailiff: Deputy Gillson, then Deputy Dorey and Deputy Gollop.

Deputy Gillson: Sir, this Requête refers back to the original SACC Report, which the previous
Assembly considered and rejected. It does no more than try to resurrect that Report, and so it is
valid to make reference to that Report.

2980

The SACC of the previous Assembly had the very dubious record of having a larger proportion
of its propositions rejected by the Assembly than any other Department or Committee, and this
leads to an obvious question: why did the Assembly reject so many of its recommendations? The
reason, I think, is reasonably simple. So many of the reports were incomplete in the way they
recommended courses of action but did not fully explain the implications, or the recommendations
did not cover all the issues. They were often very much ‘Agree it now – don’t worry, we’ll sort out
the details later.’ That is not how a Government should operate, especially when they are dealing
with matters of how we, as a Parliament, operate. As a Parliament, we should – indeed, we must –
operate at very high standards, and this Requête, in the way it harks back to that earlier SACC
Report, is an example of that sort of agree-now, sort-out-the-details later which, quite frankly, I do
not think is good enough.

2985

2990

Sir, it has often been said that we need to make informed evidence-based decisions, and I
believe that is true. We owe it to the electorate, to the people of Guernsey, to ensure that when we
are voting to approve a recommendation we do so with enough information to be able to
understand all of the major issues and implications of our decision. To do less is to short change
our public.

2995

What I find particularly disappointing about this Requête is that it fails to even try to address
any of the omissions or concerns that were raised at the debate last year. If this Requête had
acknowledged those concerns and issues and suggested SACC revisit it in light of those concerns,
I would probably support it, but it does not. It ignores all the issues and concerns and simply
rehashes a Report which the previous Assembly found wanting.

3000

In November, I voted against the propositions when we last debated them, but I am not against
electronic voting *per se* – I can see benefits from it. There are gains to be made, but I can also see
that we will lose something. That in itself is not unexpected. Nearly every change we make to
anything will involve some gains, some losses. The key is to understand and consider all of these,
the good and the bad so that, on balance, any change provides a net benefit. As I mentioned, I am
not against SEV, but I am against making an incomplete decision, which is what this Requête is
asking us to do.

3005

This Requête is asking the Assembly to agree to three things: approve the introduction of SEV,
but then authorise T & R to find a system to use and authorise SACC to sort out the Rules of
Procedure to make it work. In short, we are being asked to agree something, but without details of
knowing what we are going to get. As I said: an agree-now, worry-about-the-details later
approach, which I consider to be poor government. We should be presented with fully thought-out
solutions, something this Requête does not provide.

3010

Sir, introducing SEV is not just a matter of buying a load of equipment and installing it. That is
the easy part. The more difficult area is to establish the way we use it and the procedures we adopt
in order to make it work, and this is the area where the Report, and therefore this Requête, is
lacking. The Report refers to them, but in terms of ‘could be’ or ‘might be’ or ‘after further
consultation’. The Report and the Requête do not provide definite proposals.

3015

It has been suggested that SEV will be more efficient and more transparent. Well, the two are
not necessarily compatible. SEV will result in time saving in that a vote will take less than a
minute, but we as the Assembly, and those members of the public listening on the radio, will not
know how the individuals voted. This can be mitigated, as has been mentioned, by asking HM
Greffier to read out the details of how Members voted, which negates any time saving. Also,
would we allow HM Greffier, like Jersey, to read them out so fast you can barely understand
them? That is just one conundrum from these issues – issues which have implications on the
decision but are not addressed by the Requête. As I said, the Report is the substance of the
Requête. It mentions them, but just in the way that more work is needed – still decide now without
knowing the answers. Saying something needs to be addressed is just not good enough when we
are being asked to make a decision. If this was a green-paper decision, in principle, fair enough – I

3020

3025

3030

have no problem with decisions in principle needing more work – but we are not being asked to make a decision in principle. We are being asked to make a firm decision to introduce SEV.

3035 We need to know what we are agreeing to when we vote to approve a proposition. In voting for this Requête, does anybody really know the implications of what the recommendation really means in practical terms? Members should ask themselves, in voting for this Requête, are we voting for HM Greffier to automatically read out the voting each time? Are we voting to allow HM Greffier to read them out on an as-requested basis? If a report has a number of propositions, will he read out the voting details after each proposition, or at the end of all of them? Are we actually voting that he should not read them out? Are we voting for a system which will take longer? Are we voting for a system which will be more transparent? The truth is that we do not know the answer to any of those questions because neither the Requête nor the Report provides the answers. The Requête just sidesteps them. A good report should address and propose solutions.

3040 Sir, one aspect of the Requête is that SEV will increase transparency, but what the Requête completely fails to address is the fact there is a huge difference between data and information. Truly effective transparency comes from having information available in easy, usable form, not just by collecting data. During the last debate, I made this point: to have true transparency, we need to ensure it is easy and quick for the public to access voting records. What is being proposed is that the results will be printed out and posted on the States' website as a PDF, a process which, as Deputy Ogier said, we were told would take a couple of hours. It is old technology. What we should have is a direct link to the States website so records are available immediately, but more importantly we need data not in PDF form but in a database so that the public can easily search for information. At the moment, trying to find voting records is not brilliantly easy. We need to know the year of the debate and then wade through a list of votes. Also, if there is more than one report on a particular subject, the enquirer has to know that; otherwise they risk missing out some votes completely.

3050 Let us consider a scenario: if a member of the public wanted to know how I voted, say on solid waste issues, they would have to know that the previous Assembly debated the subject on three occasions. They would then have to trawl through a list of votes' titles for each year to find those voting records. Remember, if we introduce SEV, the chances are there will be more recorded votes, so the whole task will get longer and more tedious, in reality probably reducing effective transparency. The public should be able to say, 'I wonder how Deputy Gillson voted on solid waste issues,' and up should pop a list of those votes on that subject. *That* would improve transparency. Collecting data and posting PDFs is not increasing real effective transparency. It pays lip service to transparency, gives the impression of greater transparency, without *really* giving it to the average person. I suspect that, in her summing up, Deputy Lowe will suggest that SACC could return with suggestions along these lines. The problem I have is that there is no budget for upgrading the website, so the chances are we will not be able to.

3060 Sir, what the SACC amendment is saying is, in essence, simultaneous electronic voting may be a good thing - there will be pros, there will be cons; there will be gains and losses from introducing it – but we need to have those details before us when we make a decision. We need to know the implications of what we are actually being asked to agree before we make a decision. Only that way can we ensure we are making an informed decision, and only that way can we be sure that, on balance, any change we make operates to the best interests of the people of this Island.

3075 It is also worth considering the amendment from another angle: what is the downside of the amendment? Does the amendment stop the introduction of SEV? No. Does the amendment delay the introduction? Not really, because it cannot be introduced until SACC reports back with procedures and rules. So, if we consider the Requête and the amendment from a risk-management perspective, the result has to be to approve the amendment. The amendment does not affect the timing of SEV, but it does reduce the risk of making an ill-informed decision. In short, there is no downside to the amendment, only upside, only benefits, real benefits of actually knowing what people are voting for.

3080 Sir, if, like me, Deputies believe they should be making informed decisions, then please vote for this amendment. However, if anybody is happy to make a decision without all the information, without all the details of what they are actually agreeing to or knowing the implications of what they are agreeing to, then vote against the amendment and vote for the Requête. I do not believe it is good enough.

3090 We are at the start of a new four-year term of Government. We have the opportunity to set our own standards. The Assembly needs to set a standard for all Departments, Committees and anybody thinking of drafting a Requête or amendment, and that standard should be that when we are asked to make an actual decision – like we are being asked today to make a firm decision – we

expect the proposals put before us to be fully thought out, fully worked out and complete; not agree now, sort out the details later.

3095 This amendment is an opportunity to help ensure that, if SEV is introduced, we get the right system, but it is also an opportunity to lay down a marker to set a standard for the rest of this term of Government, a marker saying we expect more, we expect full solutions and nothing less is acceptable for us – a marker that we will operate, as a Government, to a high standard. By voting for this amendment, we are not saying no to SEV, we are not kicking it into the long grass, but we are saying that this Assembly will only operate at a standard when reports and Requêtees contain full details, complete proposals.

3100 If, like me, Members believe that we should, and must, work to that high standard and expect complete propositions, then approve this amendment. I hope people will support the amendment.

3105 **The Bailiff:** Next, Deputy Dorey, the seconder of the amendment.

Deputy Dorey: Thank you, Mr Bailiff.

I think most of the points have been made, particularly in the excellent speech we have just heard.

3110 I just want to emphasise that this amendment is neutral on the issue of simultaneous electronic voting. It is simply about the correct process, and not delay. The amendment will ensure we make the correct decisions with all the facts and arguments, for and against, in front of us.

3115 Just because a report is nine months old does not mean it is a good report. It might be recent, but it is not necessarily good. I will just pick out a couple of items from that Report. It mentions influence. I do not accept the point that a lot of people have made about the influence of people voting before. I think the situation has been vastly improved, if you do have that view, by the fact that we start with a different district each meeting. I believe on a contentious issue all the key players would have made speeches, and surely that is how Members will be influenced by those Members' views, from their speeches.

3120 It also mentions accuracy. I have absolutely no doubt that our records are accurate when votes are taken, but it is interesting, when you look at Jersey, when they recently... It was recently reported – I think towards the end of last year – on a particularly contentious issue, that one Member pressed the wrong button and it changed the outcome of a vote. He wanted to change it after, and he could not. So, to say that electronic voting will always produce accurate votes is not necessarily correct. Perhaps the additional time that people have to reflect before they vote is important.

3130 I believe, sir, that if a decision is made to purchase a system, this amendment will ensure that we choose the system that meets the requirements of the majority. As has been said by others, there are different systems. I think Deputy De Lisle, in his speech, mentioned about screens... highlighted there are different ways of communicating the information to the Assembly, to people listening on the radio and anyone who wants to research an issue, and it is important that we choose the right one that meets the requirements of the majority.

Somebody mentioned about money. I think the final paragraph of T & R's letter of comment sums it up. It says:

3135 'In addition, while £20,000 can be made available from the existing routine allocation of the Courts and Law Officers, my Board understands that sum may need to be restored within the 2013 allocation to enable prioritised projects to proceed.'

So it will need to be restored.

3140 Finally, sir, I would say that Members, by supporting this amendment, will ensure that, if we spend the money, we spend it wisely and Members fully understand the system and how it is used, and there will be less chance of regrets after its purchase. This must be the right process for this amendment and I ask Members to support the amendment so that we have the correct process.

3145 Thank you.

The Bailiff: Deputy Gollop, and then Deputy Robert Jones.

Deputy Gollop: Well, at least I have pressed the right button! (*Laughter*) No, I mean...

3150 I know some of my colleagues... I am looking at Deputy Quin over there, but there are others who say that they will find other ways of shortening the timings of this Assembly, rather than just changing the rules on the voting. I think there is actually, though, still quite a lot to be said for this, because I am a signature of the Requête and I do not think it is the job of *requérants*, especially when you are bringing together a coalition of... Well, nearly half of this Chamber signed the

3155 Requête, including the Chief Minister, the Treasury Minister and at least two other Ministers and other people with ministerial experience. So it has got quite a wide range of talent and expertise backing it. This coalition wanted simplicity, and the simplest way was to go with the exact wording of last year's nearly successful Requête.

3160 One has to bear in mind that the arguments for and against, which the Fallaize amendment calls for, have already been done. The old Committee, the Rihoy Committee, submitted the Report and the arguments are there. One suspects that the new SACC certainly has at least two Members on it who perhaps have fundamental reservations about the merits of the arguments, but if we are then sending them out to do that, that is wasting our time. We are going to have another debate, maybe when we are even busier as an Assembly, at Christmas time, and this will not be the last debate on the subject – it will be the penultimate debate.

3165 Ironically, some of the people on the Douzaine I met the other night, where there were divided views, one argument they put against this was they said it should not have come back to the States at all, a decision having been made on it, but the amendment actually calls for *another* debate on it, so... Words fail me as to the logic of going down that route. Those who are against this measure at this point, for financial or other reasons, should vote against the whole proposition.

3170 I feel, too, that Deputy Gillson gave a fascinating speech – almost a lecture – on analysing every precise point of decision-making on this, but it bordered on micro-management. Those responsibilities are for SACC to work on, and the point that Deputy Ogier made that, in fact, now we could theoretically have it through our iPads is an evolution of where we are as States Members, because it was not until May and June of this year that all States Members were issued with new security codes and new iPads. That is a material change from last Christmas, and so you are bound to have a different set of arguments.

3175 Frequently on a Tuesday I listen to the States of Jersey and, invariably, a vote is called and the losing person will often call for the names to be read, as has been said, and the reading of the, say, 20 Members who voted against takes all of 30 seconds. It is not a long procedure.

3180 It is simplicity to support this in this way and for the various authorities to go away and bring back a sensible and cost-effective system, probably similar but hopefully a little more advanced than the Jersey one, and if it could be transmitted onto iPads and websites as soon as possible, so much the better. I do not see why we are arguing over such relative trivia. And yet various other Members have talked about this being a 'flippant frippery'. I do not agree with that perspective, because this is a part of our parliamentary democracy. Just a few weeks earlier, we were quick enough to overturn SACC reports of the past. We changed the openness and transparency for ministerial and board elections. That was done instantaneously – Deputy Fallaize was very fond of the change at that point to move forward quickly – and this is the new Assembly asserting itself, based upon a mandate that it has received from the electorate, who I found were overwhelmingly in favour of Deputy Lowe's Requête, despite the cost element to it. They do believe – perhaps the perception is wrong – that Members are influenced by earlier speeches. Deputy Perrot referred to that, and I would agree that perhaps in the era when he sat in Sir Charles Frossard's Assembly, because *conseillers* were voting first, there did tend to be *possibly* more influence, and we rotate. Nevertheless, we need to overcome that perception, and that is another reason to support this Requête.

3195 But, actually, I think the strongest reason for supporting it has nothing to do with those views of instantaneous answers or perceptions being altered. It is an argument that, in fact, Commonwealth Parliamentary member, who has been around the Chamber today, Mrs Jennifer Tasker, is strongly supportive of – that everyone of us should be prepared to say yes or no, or abstain even, on matters before us, especially legislation. We need to raise our game with legislation if we take seriously the argument that has already been put to us that we need to get all the detail in front of us before we make a decision. That should apply to legislation, too, but it doesn't always. We are often voting for a general policy and the legislation comes back with judgement calls included within it. At both those stages – both at the stage of final ratification of laws, like we did today on the Competition Law and the Foundation Trusts, and on the earlier policy report stage – we should *all* be prepared to put a vote for clarification, not just go quiet when the *contres* or the *pours* are sounding loud, and that is the reason to be placed openly, transparently, on the record and be held accountable by the Island and, indeed, the wider world.

3210 **The Bailiff:** Deputy Robert Jones.

Deputy Robert Jones: Thank you, sir.

I, like Deputy Perrot, rather excitingly made my way to Sir Charles Frossard House and put my name to my first Requête. I have had a month or so now to reflect upon that and, on reflection, I

3215 guess it goes against my natural instinct as a lawyer to make a decision that is not fully informed. I would normally, as Deputy Gillson has rightly pointed out, make decisions on a more fully informed basis.

I think today's news of the £2.6 million fraud and a lot of comments on the States having to curb their spending is a little bit of a red herring – for me, anyway. Any decision I am going to make today... and, having listened to the debate, it is possibly going to be a U-turn, but that is going to be based solely on my need to be better informed so that I can then make a better-informed decision.

I am not against SEV. My foot was probably firmly in the camp for SEV when the Requête was first put before me, but having listened to today's debate, taking time to reflect on it myself, the need for me to be better informed is a necessity and that is what I will base my decision on. I was a signatory to the Requête, but today I am more likely now to support the amendment of Deputy Fallaize.

3230 **The Bailiff:** Deputy Quin.

Deputy Quin: Thank you, sir.

A lot has been said today about brevity and saving time, and, in fact Deputy Gollop hinted that I might make a few suggestions. Sending him on holiday would not be one, of course! (*Laughter*)

3235 I will say simply that I am not supporting the Lowe Requête but I will be supporting the amendment. That is it, sir.

Thank you.

The Bailiff: Chief Minister.

3240 **The Chief Minister:** Thank you, sir.

If I may speak with reference to the amendment. Like Deputies Jones and Perrot, I was also a signatory to the original Requête. I stand by the principle of simultaneous electronic voting.

I have difficulty with the amendment, but I am persuaded, on balance, and I think it is probably correct. The difficulties I have with the amendment are in relation to the talk about arguments for and against simultaneous electronic voting. I believe we have heard those arguments and I question whether it is necessary to ask SACC to come back with those arguments.

Where I am persuaded in favour of the amendment, and having heard the debate today, is identifying that there are clearly different systems of SEV, and I think it is appropriate, therefore, that we ask SACC to go away and come back with a report that identifies costs associated with the different styles of simultaneous electronic voting. I think it would be wrong, in the circumstances, to leave it solely to the Treasury and Resources Department.

Thank you, sir.

3255 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, Deputy Fallaize spoke as usual with his characteristic articulation on this subject, but I do feel that the amendment is simply an excuse for delay and obfuscation, and certainly Deputy Brehaut's argument that his reference to the 'get out of jail free' card, I think, would be the worst possible reason to vote for this amendment. It would simply lack the courage to make a decision today. I do feel the amendment should be rejected.

This Assembly has done very little since the Election, other than revisit previous decisions. If you had asked me on 30th April, whether we should be debating simultaneous electronic voting during the next four years, I would have said absolutely not, the decision has only recently been made. We should not be discussing it. For me what changed, were the events on 1st and 8th May, when the rules for the election of the Chief Minister, Ministers, boards and committees were torn up as we sat here. It would be totally inconsistent, in my view, to not now proceed with this proposal for simultaneous electronic voting. Deputy Gillson has, I think, quite rightly, identified quite a number of issues in relation to how the Greffier would ask us to... or would record and report debates and so on. These are clearly matters for rules of procedure and that may well change over time, as we have seen in relation to other rules of procedure. I think it is unrealistic to expect any report to come back with a final version of what may continue in perpetuity in this Assembly, because we are likely to want to change those over a period of time, as we see, as things move on.

Deputy Hadley, with his characteristic bluntness, has made it clear that we need this amendment like a hole in the head. We should make a decision today, one way or the other, whether to proceed with simultaneous electronic voting, if we do not want it, then let us put it to

bed and forget about it, at least for the rest of this term.

3280 The amendment itself refers to the need for arguments for and against simultaneous electronic voting and other Members made it quite clear that is already dealt with in the Report. We may not like those arguments for and against SEV, but they are there. We may feel that they are inadequate and there are other arguments for and against, but that in many ways is irrelevant and, similarly, in relation to the question of the costs of different systems. That has been addressed in the Report, so let us make a decision on that Report.

3285 The other comments in relation to the propositions, in particular to sending the Treasury and Resources Department away to find a system, if T & R cannot find a system within somewhere round the £20,000 mark, if it comes back as being materially different, then I cannot envisage the matter proceeding much further. We would have to come back and seek that the matter be squashed at that point. Similarly, of course, if SACC take the view that the system that is available within the cost is totally ineffective, then again it is open to us at that point to come back and tell us so.

3290 So, I would urge that we reject the amendment and proceed with the original proposition.
Thank you, sir.

The Bailiff: Does anyone else wish to speak on the amendment?

3295 In that case, Deputy Lowe, do you wish to exercise your right to speak on it immediately before Deputy Fallaize replies to the debate?

Deputy Lowe: Thank you, sir.

3300 I will cover some of the points that have been raised, that Members have actually raised. Earlier on in the debate it was actually said that the Requête was saying about the previous SACC Report, what was actually stipulated in there for implementing SEV and how things have changed, but actually, the Requête does not say you have to do the exact system, as SACC had actually presented previously. The wording does not actually say that. Alderney Representative Arditti said any Member can call for a recorded vote, well, you have not been in here long, many of you, but I am sure you have already experienced the huffing and puffing that, at half past five, or six o'clock, 3305 somebody has called for a recorded vote on one thing, let alone on everything and we should be doing a recorded vote on everything.

Let us take the Guernsey Financial Services Commission Report this morning, that was controversial. Some called *Pour*, some called *Contre*. I abstained. Is that recorded anywhere? No.

3310 Is it recorded how *you* voted? No. Yet it was a controversial item that we were debating. I was so tempted to call for a recorded vote and I did not do so, because I would then be accused of, 'Oh, you are just trying to do that, because we are coming up to the debate.' This Assembly should have a recorded vote on everything. Legislation is extremely important, as are States reports. You have a right to... the public have a right to know how you voted. It is not about transparency. So many of you have actually said about transparency today. Yes, but the key word begins with 'a', it 3315 is accountability and you are accountable to the electorate for them to see how you have voted on everything within this Assembly.

I have seen in the past, and this is going back two or three terms ago – and I have mentioned it before – where I have watched somebody call *Pour* and then they call out *Contre* as well. They told me that actually they can always tell the electorate they supported them. That is totally irresponsible. Thankfully, I only saw it the once but we have a duty, I believe, to our electorate to have recorded votes on everything. Interestingly enough at the hustings, the Vale hustings this year and, indeed, at some other hustings that I went to, the first time ever I have seen people sitting there with their recorded votes that they have printed out, that they have taken off the website. 3325 People are more interested to know and want that accountability out of the Members that they elect in this Assembly.

So, yes, if Alderney Representative Arditti is happy for recorded votes to be called, then let us call it for everything from today. (**A Member:** Hear, hear.) Let's see how much huffing and puffing will go on in this Assembly. If you really want recorded votes, let us start today, if you are not going to support the Requête.

3330 Deputy Duquemin is right. He is talking about iPads can be used. There is actually a system designed for iPads. There are loads of systems out there for simultaneous electronic voting. The downside is that only 37 Members out of the 47 – I think it is 37 or 36 – went for iPads. The others have got laptops. So it is not ideal and I would not actually propose that we go down that route, but there is that facility. If we wanted to do that, we could do that and, as somebody said 3335 previously, that is where it has changed from when the SACC Report came last time and iPads were not actually even on the radar then, so things have changed considerably. You said about the

radio this morning, about ‘transparency’: that was just a sound bite – my key thing has always been about accountability.

3340 Deputy Le Lièvre, my friend here on the left, said that six times it has been rejected. No. I said that it has been to the States six times and it has been like a yo-yo – yes, no, yes – yet when it comes back with the detail: oh, no, we cannot have it. So that is the point I was making. Too often Members in this Assembly have said ‘Yes, we support it’, like some have been saying that today and I think a prime example is Deputy Storey. He made a lovely, long speech about tradition and he does not want to get rid of that at all, and we must keep it and we must keep the autonomy and
3345 then he urges Members to support the amendment! The amendment is about putting in SEV. If you really want to stick to autonomy, you vote against everything. You do not waste staff time, which is precious, one member of staff to actually go away and do a report, if you are not supportive of SEV. Come up front to start with and say how you really believe, or do not believe, in SEV.

3350 There was also said about non-essential expenditure. This, in my view, is a spend to save, because it will save time, it will save money and somebody else worked out the hours, just in votes for, I think, it was for last year. It will save money, it is a one-off expenditure and that is up to £20,000. After the last debate a local company got in touch with me and asked why on earth were they quoting up to £20,000 in that Report? ‘We have a system that has been produced for a parliament that cost £3,000’ – and that is my very point. Everything in that ‘up to £20,000’ was
3355 thrown in for programming, for software, for everything. There are companies out there which believe that our Report was loaded in price and, as I said before, you could not give a proper price in the Report last year, because we would be breaking the tendering procedures. You have to actually load it, to actually make it go out there and then people come back with a competitive price, rather than saying this is how much it is going to cost. So there are systems out there and I
3360 believe this is one of the ‘spend to save’, because (a) it will save us time and (b) it is the accountability and it will always be there. So it does not mean a delay.

Probably about four or five Members I have listened to and they are saying the joy of the system we have got, we can listen to debate. That is fine. This is not about debate – some are confused – it is about how you vote, not about debate! Of course we are a debating chamber; it is
3365 our job to try and persuade people, but when it comes to the crunch and you have got to vote, that is what this is about, SEV, and some of you have actually said how you have been influenced, or others have seen how you can be influenced. That is quite shameful. You are here as independent Members to make a decision and, once you have listened to that debate, you should not be waiting until it is time to vote to see how Tom, Dick or Harry actually voted before you make your call on
3370 how *you* are going to vote. I do not think the public put you in there to do that.

Some of the comments that have been raised, to me it is micro-managing, you are trying to micro-manage a project – which Deputy St Pier did an excellent speech. You either want to do it or you do not. We are not talking about a massive project here, which I actually said again this morning. The changes to the Rules of Procedure: they will need changes to the Rules of
3375 Procedure, that is quite right and they will come back with a report. They said that back in November and it is said here in the Requête as well.

The actual going out and looking for a system: do we want a pink system, do we want a blue system handset, do we want it on the microphones – because you can get systems that are attached to the microphones, you can get systems for iPads, there are no end of systems out there and very
3380 reasonable systems and the systems I have looked at and spoken to people about, that it is instantaneous and when you do your vote and they have calculated that on the screen, that goes straight on the website, straight on your iPads – I said all of this this morning. It is the software that will actually be produced and there is already software out there that actually is used by governments and parliaments that transfer it wherever you want. It is a bit like doing your emails,
3385 you can have your files as to how many names you want in a file and you click at the bottom and you send it in all directions. Send it to the media, send it to the Douzaines, send it to the States Members, send it to whoever you like... it will be there and on the website.

I would like to see a system that actually is like they have got in Jersey – not the electronic voting, I say the electronic voting system is a bit archaic and so we could not actually copy that
3390 one, because it is not available anymore. If you go onto their website and you can look up... Deputy Duquemin I could look up and everything that he has done and recorded a vote on would be there. Again, that is the software; it can be done, it is not a big issue. That is not a reason to say we must come back with another report to find out if we can do that. It is something that can be done.

3395 Deputy Dorey also said about Jersey, that the poor guy who was here for cricket and was reminded yet again that his folder went onto the push button on the Jersey system and he voted the wrong way and he has never been allowed to forget that... I will ask Members to just stop a

minute. You watch that clock – 15 seconds they have got to make their mind up, before they change that button, if they want to change it the other way. Fifteen seconds – and I am only half way through talking to you now – is a long time to decide and look at your button when you are voting, whether you want to go that route or not. Right, you have got your 15 seconds, that is how long – do you really need that long? Are you really that confused, that it is going to take you that long? The suggestion was 15 seconds and Jersey say that, within a few seconds, everyone has voted and off they go. Not a problem.

There has been a problem here – only once – and I am not sure if it was last term or the term before, where there was a wrong result by an error that was actually... One of the Members – and it might have been Deputy Brouard, I am not sure – somebody called and we were all doing the votes, like you actually do, and there was one difference, so we wrote a note to the Greffier and we asked him to re-check, because that Member, in our view, was actually recorded wrong, because we asked for a print off of it while the debate was going on, so it was changed. So, human nature... we are all human in the States, whether it is on SEV, or whether it is the Greffier doing it for us.

I think I have covered most of the points. There was an e-mail here, which I had a little while ago and it was encouraging that they were looking for a system and I tried – we were doing a trial system, where the *appel nominal* would go instantly, straight onto the website, so they have already been trying to do that without electronic voting. They were trying to do that just for the results that were coming up here.

Going back to what I said this morning, if you really want SEV, there is no need to support the amendment, in my view, we have had a debate here, points have been picked up. Put it across to T & R to actually go out to tender. We have heard from the Minister of T & R, who has said that if the claim was a lot more expense than £20,000, he would bring back a report to these States. Put the trust in those who have the procurement experience in that Department and do not reinvent yet another report, when we are told to be efficient. How efficient is it if you are sending the same principal officer who has now completed six reports in the last nearly 20 years, to do more research yet again and come back and do another report and then will have to go off again?

I urge Members to reject the amendment and to support the Requête.

The Bailiff: Deputy Fallaize to reply to the debate.

Deputy Fallaize: Thank you, sir.

First of all, if I can address the accusations of delay, which have been made about the amendment. Deputy Duquemin asked how long it might take for the Committee to return with a report. It will take a very short period, a matter of weeks, more than a month, but no more than three or four months for the Committee to put together its report and it has to be submitted for publication in the Billet and then it has to come to the States. I would be very disappointed, if the amendment is approved, if the Committee was not back here in the very early months of next year with a comprehensive report on the subject of simultaneous electronic voting.

Deputy Lowe's Requête does not include a timeline. It is all very well accusing me, as the proposer of the amendment, of introducing delay, but there is no timeline whatsoever in Deputy Lowe's Requête. Proposition 3 of the Requête directs the States Assembly and Constitution Committee to report to the States but it does not tell the Committee *when* it has to report to the States. So the Requête does not set out any timeline which can be delayed by the amendment.

Deputy Lowe also said that all votes should be recorded on everything. That is her view. Actually, if we have a system of electronic voting that is my view as well but, unfortunately, that is not the proposal that is before the States. The Report upon which this Requête is based – the Report from the States Assembly and Constitution Committee of last year – makes it very clear that all the votes which are not recorded at present will still go unrecorded. Deputy Lowe says, well, the system does not need to be tied to what the States Assembly and Constitution Committee proposed last year, but that is precisely the point. If Deputy Lowe does not want the system that the States Assembly and Constitution Committee proposed last year, which system does she want? She has already said that there are 'countless systems' available and it is precisely the purpose of this amendment to ensure that the States decides which system it wants before we send Treasury and Resources out to purchase the system.

Deputy Conder has demonstrated, through his study of other jurisdictions, that this is far from a straightforward decision. It is very easy to say electronic voting is a good idea in principle. Deputy Gollop does not want to be bothered with any of the details: he just likes the idea, he wants someone else to go away and sort the details out – until such time as a system is installed which he does not like! I can guarantee that we will never hear the end of it... (*Laughter*) that the wrong system was purchased and *this* should have been done instead of this.

3460 Deputy Conder said there are as many systems as there are legislatures. Clearly, we need to
examine the competing merits of the various systems before deciding which one is right for the
States. Many of the signatories to the Requête base their argument on wanting to be seen to act
promptly and decisively. What they did not do was justify the case for simultaneous electronic
voting. What they cannot get away from is that the propositions in this Requête are manifestly
3465 flawed. It is poor work; it is a poor proposition and none of the arguments put forward by Deputy
Lowe or any of the other signatories can get away from that.

Half of the signatories to the Requête tell us they want electronic voting for greater
transparency, half of them want it to save time and yet those two objectives are mutually
exclusive. Deputy Gollop started his speech by saying that a strong argument in favour will save in
time and he then said, at the end of his speech, the strongest argument in favour was we needed
3470 greater transparency in recorded votes and everything. You *cannot* get both objectives out of
electronic voting. It is quite clear that *either* the States votes electronically on the votes which it
currently records, in which case many votes will be left unrecorded. That is no more transparent,
but it *does* save time, *or* every single vote taken in this House is taken electronically and becomes
a recorded vote, but that will take more time than the present system.

3475 Deputy Lowe, in her closing speech... none of the signatories to the Requête, when they spoke,
addressed that central problem, that central dichotomy in electronic voting and in this Requête.

Deputy Ogier told us about other types of electronic voting systems that he would like to see
but, quite rightly, he said they are not before the States today. There is nothing about those
systems contained in this proposal. Kites are being flown about results being sent immediately to
3480 iPads and screens being put up wherever in place of these gentlemen, or in place of HM the
Queen, or wherever they are going to go, but those are not the systems that are being proposed
today. The States needs to determine which system it wants.

I thought Deputy Gillson – whether it was a lecture or a speech is irrelevant – it was very good
and he emphasised why it was not good enough to vote for the Requête, simply because electronic
voting may theoretically be a good idea. We need to be voting on concrete proposals that are put
before the States. We need to be certain of the outcomes when we vote for proposals and we
cannot be certain of outcomes by voting for this Requête, because it is so incomplete and so
confused and misleading. He is correct in saying that, if the Requête is approved unamended, the
3485 States will not know what it has voted for. The States will have no idea whether it is going to get a
system which saves time, but is arguably less transparent, or a system which is more transparent,
but takes more time.

I thought that the Chief Minister's speech pretty much hit the nail on the head. In fairness, part
1 of the amendment, effectively the first bullet point of the amendment – I have lost it now – but
the one which requires arguments to be set out for and against simultaneous electronic voting, is
3495 not as important as the final bullet point of the amendment, which requires a report to set out the
practical and procedural effect of establishing different systems of electronic voting. I accept that.
If the amendment is accepted, I do not envisage that the report that will come back to the States
will take a great deal of space setting out all the arguments for electronic voting and against
electronic voting. What it will concentrate on is setting out the different costs and the different
3500 practical and procedural effects of different types of electronic voting.

As I say, Deputy Lowe herself says there are lots of different systems out there. Well, I would
like to see which one I am being asked to purchase before signing the cheque.

What the Committee envisages is a report which sets out properly, and fully, the options for
different voting systems, with each one presented as a coherent package, laying out its costs, its
3505 advantages and its practical effects. It is only at that point that the States can make an informed
decision. In decision making there is always this balance between making a quick decision and
making an informed decision and I understand the arguments in favour of making a quick
decision, but it will not look so sensible if we get it wrong. It is far better to ensure that we make
an informed decision and we cannot make an informed decision on the basis of this Requête, if it is
3510 left unamended. It simply re-presents the proposals which SACC put last year and applies a bit of
gloss to them.

Basically, the Requête says simultaneous electronic voting is a good idea, yes or no? What is
needed is a report, which allows the States to compare and contrast different systems of voting and
determine which one it wants. I said at the outset and I will say again, if the majority of States
wants electronic voting, the States Assembly and Constitution Committee does not want to stand
3515 in the way of that. Personally, I am relatively indifferent. I would align myself with those who
have said that, three months into this term of the States, it is somewhat regrettable that we cannot
find something more profound to debate than our own voting procedure.

Given that this Requête is before the States today, it has been necessary for SACC to lay this

3520 amendment to ensure that the States can make a properly informed decision after considering a comprehensive Report. There is absolutely no reason why the States should wish to deny itself the opportunity of making such an informed decision and I ask Members to support the amendment. And if only for posterity, sir, can we have a recorded vote, please? (*Laughter*)

3525 **The Bailiff:** Right. Members, then, we are coming to the vote on the amendment proposed by Deputy Fallaize, seconded by Deputy Dorey and, Deputy Greffier, a recorded vote, please.

The Deputy Greffier: Voting this month commences with the Vale.

3530 *There was a recorded vote.*

Carried – Pour 30, Contre 15, Abstained 0, Not Present 0

	POUR	CONTRE	ABSTAINED	NOT PRESENT
3535	Deputy Fallaize	Deputy Lowe		
	Deputy David Jones	Deputy Le Lievre		
	Deputy Laurie Queripel	Deputy Spruce		
	Deputy Duquemin	Deputy Collins		
3540	Deputy Dorey	Deputy Green		
	Deputy Paint	Deputy Perrot		
	Deputy Le Tocq	Deputy Brouard		
	Deputy James	Deputy De Lisle		
	Deputy Wilkie	Deputy Soulsby		
3545	Deputy Burford	Deputy Hadley		
	Deputy Sillars	Deputy Kuttelwascher		
	Deputy Luxon	Deputy Le Clerc		
	Deputy O'Hara	Deputy Gollop		
	Deputy Quin	Deputy Lester Queripel		
3550	Alderney Rep. Kelly	Deputy St Pier		
	Alderney Rep. Arditti			
	Deputy Harwood			
	Deputy Brehaut			
	Deputy Domaille			
3555	Deputy Langlois			
	Deputy Robert Jones			
	Deputy Sherbourne			
	Deputy Conder			
	Deputy Storey			
3560	Deputy Bebb			
	Deputy Stewart			
	Deputy Gillson			
	Deputy Le Pelley			
	Deputy Ogier			
3565	Deputy Trott			

The Bailiff: Members of the States, the result of the vote on the amendment proposed by Deputy Fallaize, seconded by Deputy Dorey, was 30 votes in favour; 15 against. I declare the amendment carried.

3570 **Deputy Gollop:** Sir, may I raise a point of order? Deputy Fallaize said that I was critical of technological changes, but I mean I would have given my speech on the iPad, but the battery ran out. (*Laughter*)

3575 **The Bailiff:** Thank you, Deputy Gollop. Members of the States, does anyone else wish to speak in general debate? Many people have spoken in general debate, while speaking in connection with the amendment. Does anybody else wish to – Yes, Deputy Trott?

3580 **Deputy Trott:** Sir, just an observation and I was not sure I was going to get the chance, but I notice in Treasury and Resources' letter of comment which runs on pages 1848-1849 that the £20,000 can be made available from the 'existing routine' capital allocation of the courts and law officers.

3585 For me that raises two questions. The first is, surely a matter of this nature is not routine. Secondly, it is not really a matter that has much effect, either on the courts or the law officers. The law officers cannot vote and unless I am mistaken, sir, the jurats will not be voting *Pour* if someone is guilty and *Contre* if someone is not guilty! (*Laughter*) Therefore, it seems to me to be

at best a misnomer and at worst some clever accounting, sir.

3590 **The Bailiff:** Procureur, do you wish to speak?

The Procureur: I think I know something about that, but the Minister will be better placed to answer, really. (*Laughter*) Shall I explain what I think it is?

3595 My understanding is – because I did ask about this – because we are tight on our budgets at the moment, I do not know about the court. So I did ask our administrative manager, what on earth this is all about and the answer I got was, because we have deferred some anticipated and essential capital expenditure, there is, at this moment, some money in that particular vote, or pot, or whatever they call it, which could be used. But I do want to make the point – perhaps less necessary now – that if that £20,000 had been taken out of that pot, which is available this year, it would have to have been put back next year, because it has already been agreed that that expenditure is necessary, albeit it would be in a subsequent year.

3600 I thank Deputy Trott for raising that point.

The Bailiff: Deputy Laurie Queripel.

3605 **Deputy Laurie Queripel:** Thank you, sir.

Mr Bailiff and Assembly colleagues, I am opposed to the prayer in this Requête, chiefly on financial grounds. £20,000 plus may not seem very much in the greater scheme of things, but recently, I believe that I have highlighted a number of ways, where small amounts are being spent unnecessarily and inappropriately. Small amounts collectively become far more significant. 3610 During times of financial constraint, money should only be spent on things that are absolutely essential; on things that are of true benefit to the wider community, *or* not spent at all, but rather used to reduce, however slightly, our deficit.

When we are cutting services in the most basic of ways, such as closing toilets, when we are even having to consider not awarding our pensioners RPI rises and, by the way, £20,000 or so 3615 would fund RPI rises for about 100 pensioners, then how can we contemplate spending the money on something that is far from essential. To replace a system that works and in effect, costs nothing. £20,000 would cover the wages for a year of many an estate worker doing the types of jobs that make a real difference to our community. I am sure that £20,000 could help to fund many a worthy school project. How many patient trips to Southampton would such an amount fund? Sir, if this 3620 money has to be spent, I can think of many better ways to spend it. As Deputy Dorey and Deputy Trott have pointed out, to say that this sum would come from T & R routine capital allocation does not tell the whole story. Ultimately, it is all States money and, more importantly, it is public money and there are consequences. The second paragraph on page 1849 of this Report confirms that.

3625 Sir, we are asking the public in these difficult times to buy into a programme of savings, efficiencies and cuts that will have a direct effect on *them*. Indeed, so keen are the States to get this message across, that we have employed a communications officer to convey it. In return, the public expect *us* to shoulder our share of the burden. How can we then justify any kind of unnecessary outlay? We *have* to set the example.

3630 Only yesterday at the Commerce and Employment Board meeting, when we were discussing the Department's budgets, a key bullet point in the presentation stood out to me: remove desirables and concentrate on core activities and essential priority work. On the Sunday phone-in, both Deputy Jones and Deputy Conder were at pains to point out that, financially, stark choices and tough decisions would have to be made. And so, does everything have to be trampled beneath the boot of so-called progress? Do all traditions have to be swept away on the tide of technology? I believe this Chamber has been invaded enough by gadgetry. I already find the flashing screens of phones and iPads distracting. I already find the Morse code like signals of mobile phones across the sound system off-putting.

3640 The reasons given to support this proposal are not wholly persuasive under the current system of a recorded vote. It is immediately clear as to which way a Member has voted under the current system. Under the proposed system, as confirmed on page 1842 of the Report, to ascertain that kind of information a Member would have to request that HM Greffier announced a record of individual voting following the casting of votes. Hardly time saving.

3645 If such a request is not made and members of the public would like to be privy to that information, they would have to access a website, or request printed versions of the record. Immediately, those who do not have, for one reason or another, access to a computer are disadvantaged. In other words, this would not be an instant or convenient system for everybody in

every case. Not quite the transparent tool it is being sold as.

3650 It has been pointed out to me that the radio audience is a minority group, but should they be less well served because of this? Under the proposed system they would be denied the complete details of a recorded vote. How frustrating to listen to a whole debate and then be denied the complete result.

3655 Finally, sir, I find another reason given to support this proposal to be misleading and a touch insulting, the idea that, under the current system of a recorded vote, some Members could be influenced by the votes cast by other Members. We have just been through a process that, in the interest of transparency, has changed the election of the Chief Minister and the Ministers of Departments from a secret ballot to an open vote. Indeed, when it came to the Chief Minister's election, we had to call out the name of our preferred candidate. It does not get any more immediate or raw than that. Are we now to believe that the same Members that went through that process are suddenly weak willed and easily influenced? I actually think that electronic voting would run counter and fly in the face of what this Assembly put in place at that time.

Thank you, sir.

3665 **The Bailiff:** Deputy Queripel, I did not want to interrupt the flow of what you were saying. What I am about to say, I do not think alters the thrust of it. Can I just point out we are no longer debating the prayer of the Requête: just for the benefit of everyone, that has now been replaced, because the effect of the amendment is to replace all the original propositions. What we are now debating are the propositions, as replaced by the amendment.

3670 That is just for the benefit of everyone, really. Does anyone else wish to speak in general debate here, that has not already done so?

Yes, Deputy Bebb, you spoke just on the amendment.

3675 **Deputy Bebb:** I spoke just on the amendment, sir. If I may briefly speak on the general prayer of the Requête. I find it deeply disturbing that at the beginning of such a States we have the Minister of T & R, the deputy Minister of T & R and the Chair of PAC unknowing about where the funds would come from to pay for this system, signing a Requête that does not have any basis to fund the system and, at a time of financial austerity, willing to spend money with no consideration.

3680 At the same time as this Requête became available to SACC for their consideration, another request, which I do not feel is appropriate to divulge, was made for funds, that would require expenditure on this court building. That would have had far more beneficial results to society at large than a simple means of electronic voting. I would quite happily discuss it with Members individually, should they wish to know what that was, but I do not think that I should prejudice that particular process by divulging the full details.

3685 Therefore, we must remember that, by spending £20,000 - or whatever the sum of money that is going to be proposed - to spend that money with no consideration of what else could be used for the better service of our community is truly something that I would find quite galling and really, something quite unacceptable of a Minister of the Treasury and Resources and the Chair of PAC. It does call quite a few questions in my mind.

3690

A Member: Well said! (*Applause*)

The Bailiff: Does anyone else wish to speak in general debate?

3695 Deputy Kuttelwascher.

Deputy Kuttelwascher: Sir, I did know where the money was coming from, in fact, the Procureur told us where, so - (**A Member:** The taxpayer.) Of course, it all comes from the taxpayer and that includes me and I presume you!

3700 I have a problem now with this Requête because I would have been happy to support it unamended but, as amended, I cannot support it, because I am not sure if I could face another debate on this issue. We are going back to a position that we had in the last States, where we came back with various options. People were saying the same old thing, 'Oh, yes, I support simultaneous electronic voting, but I do not like *this system*.' That is going to happen again, so I am going to vote against it, purely because I would rather bury the matter now and be done with it.

3705 Thank you.

The Bailiff: Does anyone else wish to speak?

Deputy Brehaut.

3710 **Deputy Brehaut:** Yes, sir, very briefly. I think we are both funded by the taxpayer. The question is which is value for money, (*Laughter*) but that is another question once again. Perhaps we should get the fundamental spending review team to have a look at us individually.

When we have debates like this, we talk about what cuts will we have to make tomorrow, to deliver what we are requesting today and it is just a reminder, before we end this debate, that some
3715 Departments are not sending out reminder letters to members of the community, because it costs money. Lines are not being painted in the road, because there is no budget for that, caretakers' hours are being reduced at schools, because there is not the money for that and I know with my experience, your child may not get the ride on the minibus that takes them to that special school, because *that* service has been cut back. So, it is *now*. The cuts, the restraints are in the now. Let's
3720 not live... let's live in the now and what an excellent speech by Deputy Bebb, who reminded – I think an important reminder – to the Treasury and Resources Minister about the political choreography of these occasions. When we have people bearing down on us daily, presentations talking about financial restraint, value for money, FTP, integrity of processes, then the political leads come into this Assembly and start to stand aside because a manifesto commitment is out there somewhere.

3725 So, please, as with Deputy Kuttelwascher, I too will not be sending this on another yo-yo, though I will acknowledge that the string is usually wrapped around Deputy Lowe's finger, I will not be sending this around, once more round the block, I will throw this out here today.

3730 Thank you.

The Bailiff: Does anyone else wish to speak before I invite those who have a right to reply to reply to the debate?

No? In that case we will take the replies in reverse order of the way they spoke in opening. So it will be the Minister for the Treasury and Resources Department, followed by the Chairman of the States Assembly and Constitution Committee, then the Chief Minister, then Deputy Lowe.
3735 Deputy St Pier.

Deputy St Pier: Sir, I feel a need to respond to both Deputy Bebb and Deputy Trott in terms of the challenges of where the money is coming from. As Deputy Kuttelwascher explained, if the Requête was to go through, then the request of the Treasury and Resources Department was where would the money come from? And it was a question of hunting round to find which pot it could come from and, as the Procureur has explained, if the Requête was adopted, then that is where it would come from.
3740

I, like Deputy Kuttelwascher, find myself in a very difficult position. I have no stomach to revisit this again in three, four, five, six months. As I said, if this came before... if this question had been asked of me on 30th April, I would have taken the view that it should not be debate, as it had already been debated. If we are unable to make a decision today, which clearly we are, and therefore it is being pushed out for further review, there has been a lot of talk about the need to save money, quite rightly so, and I feel that pushing it out to yet another report, more staff time
3745 being spent on yet another report, with more paper being produced and distributed to us all, is not the best use of time or money. We will, and should have, far more important things to be discussing in December, January, February and therefore I, like Deputy Kuttelwascher, am struggling with my ability to continue to support the Requête, in view of the amendment having been successful.

3750 Thank you, sir.

The Bailiff: Deputy Fallaize, do you wish to reply?

Deputy Fallaize: No, I do not think any questions have been raised for the Committee in general debate, sir, other than to say that the Committee is relatively indifferent.
3760

If the States wants to continue investigating the merits or otherwise of simultaneous electronic voting, it is happy to produce such a report. If the States does not want simultaneous electronic voting, then the Committee is not going to die in a trench over it; we will do what the States wants us to do.
3765

The Bailiff: Then... Sorry, Deputy Soulsby, were you...?

Deputy Soulsby: I would like to respond –

3770 **The Bailiff:** You were not one of those committees consulted, I think, so...

Deputy Soulsby: No.

3775 **The Bailiff:** No.
Chief Minister.

The Chief Minister: I do not believe anything that has come up in debate actually impacts upon Policy Council.

3780 I have already made my position, as a personal position. I do not think there is anything else I can add on behalf of Policy Council.

The Bailiff: Deputy Lowe, then.

3785 **Deputy Lowe:** Thank you sir.

There is very little I can add, apart from what Deputy Bebb said: what better service to our community? The better service you can do to the community is be accountable. Let them know how you vote and the only way you can do that for everything is under SEV. That is the best thing you can do for your community.

3790 I also notice that, yet again, when we came to the voting for this amendment, those who spoke strongly against any form of SEV, supported this amendment. I would urge those, do not send the staff on a wild goose chase. If you really do not believe in SEV, vote against this now. Do not do, as what has happened in the past, which I referred to before about a yo-yo, you send them off, they come back with a report, and say, actually, I do not think that is a good idea. It is in your hands today. Please send out the right example. If you support SEV to continue, vote for the amended propositions. If you really do not believe in SEV, please vote against.

3795 Could I have a recorded vote, please sir?

The Bailiff: Thank you.

3800 Members, then we come to the vote on the propositions, which I remind you are the *amended* propositions, substituted through the amendment that we approved a moment ago. There is only one proposition, Deputy Greffier; we have a request for a recorded vote.

There was a recorded vote.

3805 *Carried – Pour 30, Contre 15, Abstained 0, Not Present 0*

	POUR	CONTRE	ABSTAINED	NOT PRESENT
	Deputy Fallaize	Deputy Laurie Queripel	None	None
3810	Deputy David Jones	Deputy Le Lievre		
	Deputy Lowe	Deputy Dorey		
	Deputy Spruce	Deputy Paint		
	Deputy Collins	Deputy Perrot		
	Deputy Duquemin	Deputy Brouard		
3815	Deputy Green	Deputy Soulsby		
	Deputy Le Tocq	Deputy Sillars		
	Deputy James	Deputy Kuttelwascher		
	Deputy Wilkie	Deputy Brehaut		
	Deputy De Lisle	Deputy Gollop		
3820	Deputy Burford	Deputy Storey		
	Deputy Luxon	Deputy Bebb		
	Deputy O'Hara	Deputy M St Pier		
	Deputy Quin	Deputy M Stewart		
	Deputy Hadley			
3825	Alderney Rep. Kelly			
	Alderney Rep. Arditti			
	Deputy Harwood			
	Deputy Domaille			
	Deputy Langlois			
3830	Deputy Robert Jones			
	Deputy Le Clerc			
	Deputy Sherbourne			
	Deputy Conder			
	Deputy Lester Queripel			
3835	Deputy Gillson			
	Deputy Le Pelley			
	Deputy Ogier			

Deputy Trott

3840 **The Bailiff:** Members, while the votes are being counted, may I remind you that, immediately following this States meeting, there will be a meeting... a Special General Meeting of the Guernsey branch of the Commonwealth Parliamentary Association. I understand that, because of rule changes proposed, 20 members are required for a quorum. So I would encourage those who can, to stay if they wish to do so. As I say, that will be immediately following – after ten minutes or so – the closure of this meeting.

3845 I am just about to be handed the result of the vote. There are 30 votes in favour; 15 against.

I declare the propositions, as amended, carried.

Thank you, Members, that brings this meeting of the States to a close. I wish you well during the summer months.

THE GRACE

The Deputy Greffier

3850

The Assembly adjourned at 4.32 p.m.