

Dorey 1

STATES OF DELIBERATION30th March, 2011**Billet d'État No. IV
Article No. 4****AMENDMENT**

Proposed by: Deputy M H Dorey
Seconded by: Deputy R Domaille

**Public Services Department
Raising Income at the Airport and Harbours**

To delete Propositions 1 to 4 and substitute therefor:

- “1. To agree additional car parking charges at Guernsey Airport as outlined in Appendix 1(a) to that Report, to take effect from 1st April, 2011, in order to raise £280,000 per full year at 2011 values, adjusted and maintained in real terms in subsequent years.
2. To agree the introduction of a runway development charge per passenger at Guernsey Airport, to take effect from no later than 1st January, 2012, in order to raise £1,600,000 per full year at 2011 values, adjusted and maintained in real terms in subsequent years.
3. To authorise in 2011 only the withdrawal from the Ports Holding Account of any difference between the revenue generated by Propositions 1 and 2 above and £1,880,000, in order to give effect to Resolution 8(b) on Billet d'État No. IX of 2009.”.

EXPLANATORY NOTE

In 2009, the States agreed that a small portion of the programme of capital projects to be carried out between 2009 and 2014 should be funded by surpluses transferred from the Ports Holding Account to the Capital Reserve, including an additional surplus from 2011 of £1,775,000 per year at 2009 values, to be maintained in real terms.

The decision of the States followed its approval of an amendment based on a report written by several deputies who proposed unambiguously that these additional surpluses should be generated by Guernsey Airport through a combination of increased commercial income and a small runway development charge per passenger,

particularly in view of the fact that approximately 90% (est. £84.5m.) of the capital investment in the ports was to be undertaken at the Airport.

This amendment proposes that:

- the States made a reasonable and well-informed decision to require the Public Services Department to raise an additional surplus from the ports in view of the very substantial investment to be made in those facilities, especially Guernsey Airport, over the next few years;
- the Propositions laid before the States by the Public Services Department do not fulfill the letter or spirit of the obligation placed upon it to raise an additional surplus of £1,775,000 per year at 2009 values; and
- a combination of increased commercial income and a small runway development charge per passenger at Guernsey Airport remains the most fair and logical way of raising the additional surplus.

The figures below are copied from Appendix 1(a) of the Public Services Department's States Report and relate to the changes in charges necessary to fulfill the first part of this amendment.

| <u>Charge Band</u> | <u>Current Rate</u> | <u>New Rate w.e.f. 01/04/2011</u> |
|---------------------------|---------------------|-----------------------------------|
| Up to 1 hour | Free | Free |
| 1-6 hours | £3.00 | £4.00 |
| 6-12 hours | £5.00 | £6.00 |
| 12-18 hours | £7.00 | £8.00 |
| 18-24 hours | £8.00 | £10.00 |
| 24-48 hours | £16.00 | £20.00 |
| 48-72 hours | £24.00 | £30.00 |
| Over 72 hours | £8.00 | £10.00 |
| (per day or part thereof) | | |

In order to raise the sum necessary to fulfill the second part of this amendment, and based on the information provided at page 228 of the Department's States Report, the runway development charge per passenger would need to average £1.73 per single journey, albeit that the amendment proposes only the total sum to be raised through such a charge (£1,600,000 per full year at 2011 values) but leaves it to the Public Services Department to determine whether to levy a flat rate on all passengers or a mix of rates, for example to differentiate between short haul and long haul passengers.

Dorey 2

STATES OF DELIBERATION30th March, 2011**Billet d'État No. IV
Article No. 4****AMENDMENT**

Proposed by: Deputy M H Dorey
Seconded by: Deputy R Domaille

**Public Services Department
Raising Income at the Airport and Harbours**

To delete Propositions 2 and 3 and substitute therefor:

- “2. To agree additional car parking charges at Guernsey Airport as outlined in Appendix 1(a) to that Report, to take effect from 1st April, 2011, in order to raise £280,000 per full year at 2011 values, adjusted and maintained in real terms in subsequent years.
3. To agree the introduction of a runway development charge per passenger at Guernsey Airport, to take effect from no later than 1st January, 2012, in order to raise £720,000 per full year at 2011 values, adjusted and maintained in real terms in subsequent years.”.

EXPLANATORY NOTE

In 2009, the States agreed that a small portion of the programme of capital projects to be carried out between 2009 and 2014 should be funded by surpluses transferred from the Ports Holding Account to the Capital Reserve, including an additional surplus from 2011 of £1,775,000 per year at 2009 values, to be maintained in real terms.

However, in its States Report, the Public Services Department proposes raising an additional surplus from the ports of only £1,000,000 per year pending further work to be carried out by three departments: Commerce and Employment, Public Services and Treasury and Resources.

This amendment, which shall be laid only in the event that the amendment marked ‘Dorey 1’ shall have been defeated, takes into account the possibility that the States may wish to agree additional charges at the ports to raise only £1,000,000 per year, rather than the full £1,775,000 per year agreed in 2009.

Nonetheless, the amendment notes that the decision of the States in 2009 followed its approval of an amendment based on a report written by several deputies who proposed unambiguously that these additional surpluses should be generated by Guernsey Airport through a combination of increased commercial income and a small runway development charge per passenger, particularly in view of the fact that approximately 90% (est. £84.5m.) of the capital investment in the ports was to be undertaken at the Airport.

The amendment proposes that:

- the States made a reasonable and well-informed decision to require the Public Services Department to raise an additional surplus from the ports in view of the very substantial investment to be made in those facilities, especially Guernsey Airport, over the next few years; and
- a combination of increased commercial income and a small runway development charge per passenger at Guernsey Airport remains the most fair and logical way of raising the additional surplus.

The figures below are copied from Appendix 1(a) of the Public Services Department's States Report and relate to the changes in charges necessary to fulfill the first part of this amendment.

| <u>Charge Band</u> | <u>Current Rate</u> | <u>New Rate w.e.f. 01/04/2011</u> |
|---------------------------|---------------------|-----------------------------------|
| Up to 1 hour | Free | Free |
| 1-6 hours | £3.00 | £4.00 |
| 6-12 hours | £5.00 | £6.00 |
| 12-18 hours | £7.00 | £8.00 |
| 18-24 hours | £8.00 | £10.00 |
| 24-48 hours | £16.00 | £20.00 |
| 48-72 hours | £24.00 | £30.00 |
| Over 72 hours | £8.00 | £10.00 |
| (per day or part thereof) | | |

In order to raise the sum necessary to fulfill the second part of this amendment, and based on the information provided at page 228 of the Department's States Report, the runway development charge per passenger would need to average 78p per single journey, albeit that the amendment proposes only the total sum to be raised through such a charge (£720,000 per full year at 2011 values) but leaves it to the Public Services Department to determine whether to levy a flat rate on all passengers or a mix of rates, for example to differentiate between short haul and long haul passengers.

STATES OF DELIBERATION30th March, 2011**Billet d'État No. IV
Article No. 4****AMENDMENT**

Proposed by: Deputy R W Sillars
Seconded by: Deputy A H Brouard

**Public Services Department
Raising Income at the Airport and Harbours**

1. In Proposition 1 to delete the word “back” and to substitute therefor “to the States of Deliberation before the end of 2011”.
2. To delete Propositions 2, 3 and 4 and to substitute therefor:
 - “2. To authorise in respect of 2011 only the withdrawal from the Ports Holding Account of an additional £1.88 million to be allocated to the Capital Reserve.”.

Explanatory note

The purpose of this amendment is to impose a deadline of the end of this year for the debate on the Report of the 3 Departments “on the feasibility or otherwise of other means of generating funds for the capital programme that minimize the impact on demand and the wider economy” and, in the meantime, to defer taking the steps as outlined in paragraphs 29 and 30 which increase service charges above the levels already planned by the Public Services Department and to meet the shortfall in transfers to the Capital Reserve by withdrawing from the Ports Holding Account the full amount of £1.88 million required to finance capital projects.