



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Friday, 26th April 2019**

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**People's Deputies**

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**The Castel**

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**Representatives of the Island of Alderney**

Alderney Representatives S. Roberts and A. Snowdon

**The Clerk to the States of Deliberation**

C. Foster (H.M. Deputy Greffier)

**Absent at the Evocation**

R. M. Titterington, Q.C. (H.M. Comptroller)

Deputy P. T. R. Ferbrache (*relevé à 10h 01*); Deputy L. C. Queripel (*relevé à 9h 32*);

Deputy J. P. Le Tocq (*relevé à 10h 01*); Deputy P. J. Roffey (*relevé à 11h 35*)

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# States of Deliberation

*The States met at 9.30 a.m.*

[THE BAILIFF *in the Chair*]

## PRAYERS

*The Deputy Greffier*

## EVOCATION

### POLICY & RESOURCES COMMITTEE

#### IV. Review of Strategic Air and Sea Links Infrastructure – Debate continued

**The Deputy Greffier:** Article IV, Policy & Resources Committee – Review of Strategic Air and Sea Links Infrastructure.

5       **The Bailiff:** Before we start Deputy Lester Queripel has arrived. Do you wish to be relevé?

**Deputy Lester Queripel:** Sir, please.

10       **The Bailiff:** Thank you.  
Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** Thank you, sir.

So there are two points that I do not believe have been touched in great detail so far. One is the process itself that has led us to debating this and the other is around timings and technology.

15       So first to address process. Members have been talking about the need for making an evidence-based decision and I agree with that, and I think Deputy Graham yesterday captured that point very eloquently. That it is not just a matter of believing the runway should or should not be built but acknowledging that if we choose to go with P&R's recommendation to do nothing that we will continue to go on this merry-go-round perhaps in this States or the next until the  
20       evidence is presented.

Conversely, Deputy Langlois who presented his sceptical evangelist approach outlining that we will never be able to get the concrete evidence that will give us the comfort we seek in making this kind of decision. I happen to think they are both right. It is a bit like Schrodinger's cat, there both is and is not a business case for a runway extension until we open up the box and look at it.

25       We have to ask ourselves why we have ended up here, what it is about this process that leads us to have these endless merry-go-round debates? (**Several Members:** Hear, hear.) If we look at this process and in particular go back to how P&R ended up doing this review, we can start to unpick what is missing.

30       I agree with Deputy Dorey's assessment yesterday that P&R should have been the right co-ordinating body to oversee which cuts across many committee mandates, and during that debate

when we decided to go down this route in June 2017, I happened to be the only Member of Environment & Infrastructure who voted for the review. But I said then and many others said in that debate that it needed to be done in a timely manner and it needed to be done collaboratively with P&R, Economic Development and E&I. I am disappointed that neither of those conditions were met.

I can see in the report from PwC on page 4 under the scope after the preliminary evaluations were made by PwC they would, I quote:

Lead a workshop with the [States of Guernsey] steering group to feed back our findings and discuss the best way forward

Steering group, not P&R as the policy letter keeps referring to the Committee, the Committee this, the Committee that, the steering group – the steering group which should have comprised of Members of P&R, E&I and Economic Development. It did not. It is disappointing but not irredeemable, if P&R had been acting like policy and resources not just resources. But I think the resources side of their mandate is overshadowing the policy.

This is an observation that I think is important that we need to remember that we have moved into this different structure of government and we are all learning a lot as we go and I think it is not a criticism of Policy & Resources, it is a criticism of how much we have learnt and how much we have not learnt and then implemented. We should not dismiss that, we need to take those lessons and take them into the next term for the next group of politicians who will be inheriting this structure of government.

In order to do that we need to understand how the co-ordination of policy goes further than just the P&R Plan but should be embedded in how the Committee approaches these kind of decisions and I must, sadly, admit that I have not seen evidence of this level of scrutiny of policy gaps or policy strategy that is at the level of scrutiny of the resource decisions that Policy & Resources have made.

P&R should have looked at this review as a whole and determined where the policy gap is. Now, I happen to sit on Environment & Infrastructure and recently we have started looking at the infrastructure investment plan. That is being done co-ordinated with Policy & Resources, quite rightly, but at the beginning of that process there is always this merry-go-round: 'Well, what infrastructure do we need, how do we determine what infrastructure we need, and stop it becoming this long plethora of wish list?'

Well, it is quite clear we look back at the policy that we as a Government are implementing, what are the end problems that we are trying to solve with those policies, and we have got lots of different policies throughout this Government but we are not looking at the gaps in those policies and where those gaps affect infrastructure investment decisions. This is one of those gaps.

Members touched on it briefly, and again for the second States in a row I am agreeing with Deputy Inder who pointed out – I believe identified – the problem but did not quite articulate the reason why he feels so frustrated about tourism and the runway extension entanglement, or the business case, and looking at the business case.

Nowhere has someone sat down and said what is the overarching policy here, where are the gaps? I know that there are Members who will groan at this view and see this as meandering and not taking decisions but placing more emphasis on process than actually the doing, but I empathise with their view that they just want to get on with the doing, but the problem is that we do not, do we? We all want to leap to the doing, to making that decision, get it done, but if we do not have the overarching policy in place before we make that decision we end up with the merry-go-round decisions that we made with the waste disposal, with education. The policy, the overarching policy, decision needs to be made first before you get to what the nitty-gritty infrastructure needs are.

They do not have to be made in isolation, with the hydrocarbons policy; that is exactly what has happened, we recognised that we needed ... Instead of going ahead and just building the infrastructure around something that might not be needed in the future, we recognised that there

80 was a gap in policy and that is the energy policy. Now those two processes are going in tandem and they are informing each other. So it is possible to do these at the same time and not waste time waiting for one before you do the other, but they have to be interlinked and there has to be proper communication and a steering group working for that to work.

Policy is about solving problems and we end up in this decision soup when we are trying to agree a solution before we have defined what it is we are trying to fix. So in this case, in this policy letter, well sort of, this decision, I believe we require sustainable air links; that is the problem we are trying to fix, sustainable air links.

We have made a decision that we require sustainable air links, and to do so we need a number to sustain those naturally, but we do not have the population to sustain air links naturally. We are not a large jurisdiction that can naturally sustain the kind of air links that we want. So we have brought in and this is where the entanglement with the tourism strategy comes in – we have never had the tourism strategy come to the States and it is not about bringing it to the States so that we can spend time debating it, it is about bringing it and acknowledging why we need a tourism strategy, what kind of tourism strategy we need and it is intrinsically linked to this decision. **(Several Members: Hear, hear.)**

It is about recognising we need to make decisions about the tourism strategy that go beyond just the mandate of Economic Development. That the tourism strategy has informed in the past legal planning documents like the IDP and it is intrinsically linked to our air links sustainability. But we as a States have never debated it and never linked it with other policies, like an art strategy policy, and all of these things that do not just sit within Economic Development.

What we need is to make a decision about what would sustainable air links look like, identifying what kind of tourism industry we need to achieve that and there has already been work done on that and I know that my colleagues at Economic Development are working on that and have commissioned reports.

I give way to Deputy Merrett.

**Deputy Merrett:** Thank you, Deputy Hansmann Rouxel.

I wonder if Deputy Hansmann Rouxel would agree with me that the Economic Development Committee as constituted in 2016 were indeed working on it and had indeed commissioned the report, but as acknowledged just this week in Question Time by President Parkinson they no longer envisage working on the strategy and they are not in fact intending to rescind that States' Resolution that was two-and-a-half years old.

**Deputy Hansmann Rouxel:** Thank you for that intervention, Deputy Merrett.

I will give way to Deputy Parkinson.

**Deputy Parkinson:** Sir, it cannot be said that Economic Development is not working on the strategy. The strategy is still extant and we still work with the Chamber of Commerce on it. What we have said is the States and the tourism industry does not need another strategy, what it needs is an action plan. We are proposing to bring forward a 10 point action plan to deliver some results.

**Deputy Hansmann Rouxel:** Thank you for those interventions.

I will agree with Deputy Merrett that actually it needs to come back to the States and be debated, **(A Member: Hear, hear.)** but that would be a debate to be had with the Policy & Resource Plan when I am sure you will be glad to hear from me again. *(Laughter)* **(A Member: Hear, hear.)**

So what kind of tourist industry do we need to achieve that and with our offerings identifying what investment needs to be made to our Island offerings, be they art installations or capitalising on Victor Hugo and then comparing the business case for a runway extension with the business case for market based options and an investment package in our Island offerings. It is this level of

policy gap analysis I would have expected from this policy letter from Policy & Resources, identifying where there is a gap and asking the Committee to look at that gap.

135 One thing I think we are in danger of missing – and this is my second point – is around the changing global landscape around climate change, and again this comes from sitting on Environment & Infrastructure and looking at the energy policy, and my colleagues at Economic Development will again be aware of this because we have been working very closely with them.

140 The world is finally waking up and it is pushing many industries to change rapidly, regardless of your personal thoughts on climate change, the world is changing and that is changing industry. This sea change is coming faster than we expect.

This is something that we would not have contemplated even a few years ago, but there is a tangible shift in direction and we cannot leave out thinking about how the drive to reduce emissions will affect aviation. We have seen the rapid development of battery technology and the evolution of electric vehicles has been spurred on by governments creating end dates for internal combustion engines, their policy decisions are making industry make investment decisions.

France has decided from 2030, the UK from 2040 and Norway has an ambitious 2025; that is only six years before they will stop selling new combustion engines. They also, interestingly enough, have a target of all the domestic aviation in Norway by 2040. It is not just pie in the sky; we cannot ignore this change is coming.

150 What does this mean for this debate? Well, what do we know about constraints of electric aviation? Some of the constraints initially will be batteries and this means that planes currently designed for electricity are small capacity planes. This is a major market shift and the R&D money is in electric and the big players are taking note of how the new players in the car market, like Tessler, have disrupted the car manufacturers, the traditional big manufacturers who did not invest in electric development and are now playing catch up to a changing market. So it will transform the way that we fly and will also transform the infrastructure requirements.

A Financial Times article from September 2018 on how the promise of electric power can transform aviation, and this is a quote:

In this new era of the electric aviation the market will not just be for so-called flying taxis or small vehicles carrying a handful of passengers over short distances, but a growing number of projects are focussing on the potential for regional aircraft carrying dozens of passengers with ranges up to several hundred miles, with larger aircraft aiming at 100 passengers.

160 The future of short haul, low cost airlines will be the most obvious early adopted of this technology, with carriers like easyJet which has partnered with Wright Electric to bring short haul flights by 2030. The difference in design in aircraft when looking at electric means that you can position the motors in different ways. Already some of the smaller aircraft are being designed capitalising on this flexibility with one nine-seater aircraft capable of lifting off vertically like a helicopter.

165 In the interim we cannot ignore that there is a drive to reduce emissions on existing planes. So our current setup with the ATRs which are by far more fuel efficient on short hops that we do than the larger jet planes would be. So in a world where we are heading in the direction away from the larger aircraft and towards a major disruption in how aviation industries operate right down from the manufacturers to how airports can operate with less noise constraints and environmental impact, does it make sense to make a huge capital investment in infrastructure that we might not need?

I know we are not being asked that question, but rather than we spend more money just looking at the problem in more detail we need to add this in to looking at the business case. This needs to be one of the things that is identified and acknowledged when building a business case.

175 We cannot measure tomorrow by today's standards and no other time in history ... well there have been other times but we have the opportunity to not measure tomorrow by today's standards because there is a major shift happening.



So that brings me to my conclusion. If we are happy to spend the money on building a business case we need to do it in the round. We need to have all these factors included and we need to be able to evaluate them against each other. Personally I do not think the end result will be a longer runway, but I do not think it is a waste to explore this and get the information we require which will help inform other decisions.

So I urge Members to vote for 1(b). Even the sceptical evangelists like Deputy Langlois and keep the pressure on Economic Development when carrying this work forward to use their mandate and linked with tourism to bring forward a cohesive plan, not forgetting that there is commitment to work with Environment & Infrastructure when creating the terms and conditions. Since we are already working closely on energy policy this should not be an impossible task since infrastructure changes at the Airport will be affected by the transitions in the energy market.

I urge Members to think about this holistically.

Thank you.

**The Bailiff:** Deputy Inder.

**Deputy Inder:** Sir, thank you.

A very good speech by Deputy Hansmann Rouxel. That is twice she has agreed with me and I feel honoured. All we need to do is get her to agree with us on the Harbour requête next month and I have got the triple. *(Interjection)* No chance. Okay fine, fair enough. Best of luck with that.

Deputy Parkinson, in his support for the investigation into an extended runway, kind of alluded to the fact ... he seemed to think that most of the information he had or we had probably between STSB and himself to make that decision and he thought he could do it cheaper.

Overnight I sent an email to Deputies and possibly I think there has been a response challenging Deputy Parkinson to possibly amend Proposition 1 which would make it easier for me to support to take that £700,000 down to around £300,000. If you have got it around somewhere it would make it easier to support, but it will be a fact that as soon as we say up to anything it is normally the figure plus a little bit more.

But I do wonder why some of this work has been conducted already if the information is around the Committee's various reports and probably acknowledge possibly using Deputy Jan Kuttelwascher as well and all the various contacts that we have in the Island.

I am conscious of what Deputy Brouard said about not talking the Island down but I have got to mix my positive approach to tourism with the reality of the figures.

Deputy Hansmann Rouxel said there is a policy gap. Personally I think there is actually a reality gap. Generally there is because the figures that we have got in front of us ignore the spin put on some of them by some departments. They do not look good, they do not look good at all. Over the last 10 years Condor figures were down by 22% – that is 22%! Now that is not related to the runway at all, but this shows there has been a decline in passenger movements coming into this Island. That is between 2011 and 2016. Harbour passenger figures are generally down across the board but not to the degree that they have been at the Airport. Business figures from the Rule 14 questions, business figures coming in to the Island, are down by about 20,000 passengers over a seven- or eight-year figure. I would like to see how an extended runway is going to fix that. I do not think pouring concrete is a solution for absolutely everything.

People visiting family and friends, they are down, it is a fact. I cannot help it, this is the evidence we always talk about, this is not the spin. We have got fewer people coming into this Island, fewer family and friends, less business and fewer tourists – it is a fact.

Airport figures are down from a high of 960,000 10 years ago; we are now down to 808,000. Now if someone could explain to me how extending a runway or even investing in an extension of the runway is going to fix this, I would genuinely like to see that. These are figures that you have all had. Actually most of the figures I went looking and shared with most Members ... which do not seem to have appeared in any of these policy letters. I had to go looking for them. It is hellishly difficult to get information out of this digital Government that we appear to have, they

230 are spread all over the place, there are tables nowhere and you have got to extract a Rule 14 question to get simple information. I mean why the passenger figures over the last 10 years are not sitting on a Guernsey Harbour's website somewhere –

**Deputy Tindall:** Point of correction, sir.

235 **The Bailiff:** Deputy Tindall.

**Deputy Tindall:** They are.

240 **Deputy Inder:** Well, okay fine, well, I can tell you for ... I do not know what she is talking about as usual, but – (*Interjections*) I am sorry but the reality is, no, let's have this conversation –

**The Bailiff:** Deputy Inder, can you withdraw that remark?

245 **Deputy Inder:** No, I will withdraw that, but let's have this real conversation – how difficult it is to extract information out of Visit Guernsey. It is spread over 45-50 documents, they do not have in one place that can tell you the figures over the last 10 years; they are not in one place.

Anyway, in short, Deputy Graham did make probably one of the better points in this debate. In short, he said that spending the money to prove or disprove points ... and at that point I was supporting 1(b) but I have thought about this overnight. I am just not convinced. I just think this will be another journey to somewhere to think this will be the new nirvana. Everything is just over the damn hill where the problem is not ... it is somewhere else, it is in this process. Let's look further. It is just around the corner, let's chase that rainbow, let's find that other pot of gold. Jersey's figures – now I would challenge the tourism representative to actually start looking for some real information, a simple search on the Jersey Tourism Marketing Plan for 2017 will clearly state that –

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**Deputy Tindall:** Point of correction.

260 **The Bailiff:** Deputy Tindall.

**Deputy Tindall:** The Jersey Tourism Plan was dated 2015.

**Deputy Inder:** Sorry? Anyway okay, a simple search on that, a simple search will show that Jersey is indicating that they have passenger figures that have dropped from Guernsey and that is related to the connection between Jersey and Guernsey. Now that is all to do with Blue Islands, Aurigny, the make up of the airlines, that has got nothing to do with pouring concrete, nothing whatsoever.

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Then of course we have just had open skies which commendable is in place but again it has only really just started, we are probably a couple of years away from seeing whether this is working at all. The odd thing is that when we look at actually some of the stats that we have had in front of us – the real stats, the Harbour stats, the passenger stats – I do not know where this other port is that all of these tourists are coming through.

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In 2015, which you will all remember was the year Condor broke the travelling tourism industry, we had 130,000 staying passengers in that year. Now straight after that your Harbour stats say there was a collapse, your Airport stats say that there was actually a drop in passengers. The only people who seem to think that the passenger figures stayed at exactly the same level between 2015 and 2016 was Visit Guernsey. Those are their figures; their staying visitor figures seem to think that between 2015 after Condor broke our tourism industry for at least two or three years they seemed to think that the figures were exactly the same in 2016. Your own figures from

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my Rule 14, I simply do not believe half of the information that comes out of this Government. I do not believe it.

285 Now, Deputy Gollop, you can shake your head until the cows come home, I do not have to believe it, because I do not think they are accurate. The only real accurate figures you have are your Harbour stats, as in passengers coming in and out of the Island, or your Airport statistics; and your Airport statistics, here is the reality gap, are telling me now that there were 180,000 fewer passengers in the last 10 years.

290 Now why on earth would I give anyone in this Government or previous governments any more money at all to look for the new nirvana, the new over the hill, the new place? I am not doing it. I am not spending a penny and I would ask you to reject the whole damn lot.

**The Bailiff:** Deputy Le Tocq, do you wish to be relevé?

295 **Deputy Le Tocq:** I do, sir.  
Can I speak now?

**The Bailiff:** Well, there are other Members who are seeking to stand and, Deputy Ferbrache, do you also wish to be relevé?

300 I think there are other ... Deputy Merrett then Deputy Fallaize, then I will come to you.

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

305 I too, like other Members, am disappointed and frustrated to only now be having this debate when the States directed Policy & Resources during the 27th June debate. Sorry, sir, I probably should state that year as well because it was 2017! We will be in May 2019 next week, so this debate is almost at the two-year mark after direction was determined by this Assembly?

Is it just the process? It struck me while Deputy Hansmann Rouxel was speaking that her speech could have been made in 2017 or 2019. I thought we had considered and decided the holistic approach in 2017. The explanatory note from the successful amendment states that:

Policy & Resources would work with Environment & Infrastructure and Economic Development and it would be done timely or in a timely fashion.

310 I think, sir, actually I can recall from memory – but of course it was two years ago and trolling through *Hansard* is never a pleasant pastime; living through some debates just once, sir, is quite frankly enough for me ... but I do expect States' Resolutions to be enacted, otherwise I do question why we have democracy, debates and votes at all.

315 Put that aside just for one moment. I do think there was some reassurance due to a question from Deputy Oliver, if my memory serves me correctly. Deputy Oliver asked at the time of that debate how long will this review take. Deputy Oliver had some assurances, I believe, that it would be done by Christmas. Of course maybe she should have asked which year; maybe it was Christmas and the confusion was which Christmas of which year?

So here we are debating should we now fund the commissioning of further work on a runway extension.

320 I will take Members back to the actual amendment this Assembly agreed, as a copy of it has been pinned to my wall since June 2017; it is now slightly faded and curling at the edges but I have it here today. The successful amendment to the P&R Plan was:

To replace the Guernsey runway extension pipeline project from the P&R Plan phase two and to replace with a broader project to examine infrastructure relating to air and sea links.

A more holistic approach. As the explanatory note explained, as proposer Deputy Trott, and I quote, sir:

That a decision on the runway should not be taken in isolation. Further the potential extension of the Guernsey Airport runway is only one component of this and that the review would provide the information required by this Assembly to make evidence-based decisions.

325 But it has not, has it? And it is not by Christmas either, 2017 or even 2018. So what we thought or what I thought we were voting on, what I thought I would gain in knowledge versus what we had lost in time leaves me with that frustration and disappointment that I stated earlier as well as a little bit of *déjà vu*.

330 Deputy Graham's speech yesterday summed up beautifully as to why Members should support 19(b), for which I thank him, but of course I was on Economic Development at the time and do concur wholeheartedly with Deputy Kuttelwascher's point yesterday. If I had known then what I know now I would not have supported the Trott amendment as it has not delivered what I thought it would, what it said in the explanatory note and not in a timely manner. The spirit of the amendment in my opinion has not yet been honoured.

335 Further, it is worth noting and highlighting that the PwC report – well the part that we have before us today – is just Guernsey links, that one part so not the holistic approach I expected. We only to this date in the public domain have the air section part, and further it is dated 12th September last year, so even after the final report was agreed and received it took over six months for these relatively simple, because they are relatively simple, Propositions to be submitted, which I find quite frankly shameful. (**Several Members:** Hear, hear.)

340 There has been reference to only vote for the work to be commissioned if you intend voting for a runway extension, not to vote if you just want to test the waters. Well, sir, that implies that any work commissioned would actually return to this Assembly as currently constituted. We do not have a date on the amended Propositions to give us or our community any indication of a timescale involved for this work. One assumes that P&R must have had a timescale in mind as they wished to test the political will of this Assembly.

345 So I would be grateful when Deputy Trott sums up for him to advise us of a timescale that P&R envisioned as part of Economic Development it should take minimal time and as such they should be able to pick it up and, as Deputy Tindall alluded, to continue to act apace.

350 Although I do feel the pace of this Assembly and the pace before being an elected representative is somewhat different to the pace our community expects. Even so it has taken two years to get this far so I am doubtful that the work will be completed in this political term, doubtful, maybe a pessimistic optimist if that is even possible, but some indication of time, the P&R timeline, would be appreciated.

355 So what I am now faced with is commissioning more work and arguably it must have been difficult for PwC to review our air and sea links without having enough finance to review the actual infrastructure. After all they were commissioned to do a review on air and sea links infrastructure; without actually reviewing the runway that seems rather at odds to me with what I believe this Assembly voted for. In my opinion it was certainly not in the spirit of the amendment that I voted for in 2017.

360 We have heard a lot so far in debate about Aurigny and the runway being an economic enabler but who is the economy there for, who are we actually here to serve? Surely it is the community as a whole. A thriving economy in theory should provide reasonable tax-take to fund services for our community. I get all that, but of course the ultimate aim is to have a thriving, sustainable community and a thriving economy is desirable to help Government achieve that.

365 I believe, sir, that our community is our business and we are looking at it a little skewed if we put business before the people in our community. So let's ask ourselves how does, and how could, our infrastructure serve our existing community? Does our community want cheaper flights and are they willing to forgo frequency to achieve this? Sustainable, yes, but part of that sustainability is affordability.

370 I accept, sir, that some businesses may prefer frequency and will not be as concerned about cost but then that individual flying is not paying directly from their family's budget are they? They

are not trying to leave this Island to visit family or friends out of their family's disposable income, or worth, are they?

375 So what does our community want? When canvassing it was 'Cheaper flights, please.' Families, pensioners and those on lower or middle incomes were, and arguably still are, struggling to afford flights. They said they had three concerns: the fear factor that other low cost airlines would have special offers and then leave or go bust; that our Airport might get really busy; and it was implied that low cost airlines would service Guernsey if we extend our runway.

380 Sir, I would love to have the problem of too many passengers rather than declining numbers, special offers, yes please, just as Aurigny have today.

The fare quoted yesterday by Deputy Dorey of £32.99 is a summer special offer, not an average family but a single ticket with no hold luggage – £32.99. I went online when he was speaking. I was listening, sir, but, wow, £32.99 – book it quick; and he was quite right, sir, a single  
385 was £32.99 when I picked on that flight; and then decided that I would take a bag and then decided that I would come back – (*Laughter*) and so would need a return; and that because it was so far in advance, sir, that I did not know all of my work or family commitments I had best buy a flexi ticket! Well that return, that return, sir, was £490 – £490 and I started my click at £32.99! That is £490 for one person not in the school holidays.

390 I have tried to travel with my family before and for three tickets the first quote was for over £1,000 to fly. We no longer fly with the frequency we did 10 or five years ago. We cannot afford to go to the family wedding, we did not go to both grandad's 70th and grandma's 80th birthday parties which fell in the same year. We could not afford it, we had to choose one.

The business traveller may travel without bags but even they tend to come back so buy a  
395 return. However, families in our community visiting friends and family do tend to have bags, so quoting a ticket without including any bags or return fare does not clearly reflect the whole picture. So on the last fear facts I alluded to earlier, even if we do extend the runway it does not mean that only low cost airlines will dominate our skies.

I do not think Economic Development or STSB were saying no to regional airlines and that they  
400 will only say yes to low cost airlines. Some may even be able to support regional airlines, some low cost. As a Deputy my business is our community so I always try to look at things from our community's perspectives and not just one sector of the community business or otherwise. As an Island community we need to enable our community to get off and on the rock.

This is not just about our tourism or indeed our tourism offer, this is notwithstanding that we  
405 do not want or need tourists but they are just one part of our economy. What they are really good for is increasing passenger numbers to allow our community to have a better service that our resident population alone could perhaps not afford, tourists do not access our education system, and if they access our health system they have to pay. Tourists should be seen as a benefit, they should be welcomed and encouraged, they help increase our hospitality services and regional  
410 offering which then helps our community have more choice. Yes, it could be viewed as an economic enabler but again I would ask Deputies to reflect on why and how said economy should support our community.

Proposition 2, sir, is quite interesting because very few speakers have really spoken in depth  
415 about it. Excuse the pun, sir, but it has flown slightly under the radar. So far in this debate, sir, other than the strong statement by Deputy Parkinson we have not had very much mention at all; in fact some Members have not even mentioned it.

We are asked in Proposition 2 to endorse P&R using their delegated authority, they already  
have delegated authority so why are they asking us to endorse it, is it for an indicative vote maybe. It seems the common thread at the moment in Westminster – give me an indicative vote.  
420 They have already got the ability to do it. I ask, sir, because as far back as 2016 – and one hopes and assumes prior to that – contingency for our sea links has been considered.

We know in 2017 that Condor was up for sale; it will be interesting to know how much has been spent on contingency work since that announcement was made and why P&R feel they need endorsement. Is it because they are going against recommendations so ably stated by Deputy

425 Parkinson yesterday? What will £400,000 bring back to this Assembly and when? In fact will it even come back to this Assembly? So I would really appreciate Deputy Trott advising me of this when he sums up.

Thank you, sir.

430 **The Bailiff:** Deputy Fallaize.

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

I want to talk about 1(a) first and then 1(b). My sympathy in this debate is, I think, with the position of the Committee *for* Economic Development, in that at the time that they were elected –  
435 and this is true actually of the first Committee *for* Economic Development of this term and subsequently when Deputy Parkinson was elected as President – their consistent position despite the change of membership has been that there should be further work carried out to examine the case for extending the length of the runway.

Although I have not checked it, I think probably the Policy & Resource Plan update that was  
440 put before the States nine months ago or whenever it was by that Committee would have made mention of their intention to progress this work. It falls within their mandate and indeed the States has moved that this work, if indeed it is, is to be carried explicitly into Economic Development.

So I think there is a legitimate case for the States to be sympathetic to backing them in the  
445 work they want to carry out. For that reason, I am disinclined to vote in favour of Proposition 1(a) which asks the States to agree that no further work should be carried out.

I also come to that Proposition in a similar way to the way I looked at a similar Proposition in relation to an investigation into GST in 2014 or 2015 or whenever it was. I was not persuaded that  
450 the States needed to adopt GST at that time but I was not persuaded that the States needed to rule out ever doing so and voted accordingly.

I am not ruling out because I do not yet fully know how I am going to vote in this debate, but I do not rule out voting for Proposition 1(a) and I will listen to Deputy Trott when he sums up, but at the moment I am not inclined to for the reasons I have just set out.

However, I do have some problems with Proposition 1(b). First of all, Deputy Hansmann Rouxel  
455 made a good speech and an interesting speech where she talked in part about the sequence of decision making and whether it was appropriate to be considering infrastructure projects before we have decided what the policy objectives are. That is a good point although the States often do try to deal with policy objectives first, settle them and then find that the States are not prepared to make the subsequent infrastructure or investment decisions to support the policy objectives  
460 already agreed.

What she did not go on to say, and I thought she might have, was that it is not just about the sequence of decision making, it is also about the level of decision making – in other words, which body is best placed to make whichever decision is on the table.

I am not convinced that the States' Assembly is best placed to decide whether there should be  
465 an investigation carried out into whether the Airport runway should be lengthened. It seems to me that the Committee *for* Economic Development believes there may be a case for lengthening the runway but is not yet sure one way or the other, and that if there is a case it is based on economic development reasons.

Well just faced with those circumstances I would say that the people best placed to decide  
470 whether a review should be carried out and best placed to commission it is the Committee *for* Economic Development and not the States' Assembly. I do not think it is normal for a committee to say to the States we wish to carry out a review into an aspect of policy that falls within our mandate and we want your permission to do it. The normal course of events is that they would just get on and do it. So what we are left with, because the Committee *for* Economic Development  
475 does not need the permission of the States to carry out an investigation into whether the Airport runway should be lengthened. If they believe that there may be a case for doing it and if there is it

is based on economic development reasons then they could just get on and do it. So what we are left with effectively is a request for the money to do it, presumably, because if the Committee *for* Economic Development wanted to do it they could do it, they have a budget which they are able to spend according to their own discretion.

Now Deputy Parkinson has already told us that he does not believe that this work would cost anything like £700,000. So I assume that the actual figure in play is not £700,000, we do not know what it might be but it is going to be some figure less than £700,000 and I accept his analysis on that.

So I then come to the point off the Proposition to direct Policy & Resources to fund this work via a capital vote. Now I do not understand why opening a capital vote is the appropriate way of carrying out what is actually a policy review.

If the States were to make a policy decision that it was necessary to extend the runway in order to achieve some policy objectives then obviously it would be right to carry out all the subsequent work out of a capital vote, but if for example the Committee *for* Health & Social Care wanted to, or was directed to by the States, carry out a review of policy around expenditure on medicines, we would not say, 'Well, we are going to open a capital vote to allow them to do it.' Even if the States decided it was a necessary thing to do and the Committee said we cannot do it out of our existing budget, what the States would do is provide additional revenue budget for them to do that.

So I am just slightly unsure of why the States is being asked to open a capital vote in order to carry out what is really a policy review.

Another problem I have with 1(b) is that I am not convinced that the proponents of lengthening the runway – and I will come back to that term in a moment – do not already have the information available to them which they could marshal to make their case for extending the runway. (**Several Members:** Hear, hear.) I accept it is not all in one place, but then very often when Members or committees want to put arguments to the States they have to gather information from lots of different sources. So I accept there is not a single report which sets out a business case for or against lengthening the runway, but I am not convinced that the information does not exist in various places which they could marshal to bring to the States.

Now I know they would say, some of those Members would say: but we are not proponents of lengthening the runway, we are just proponents of carrying out a business case to see whether the runway should be lengthened.

I said this when we debated Deputy Kuttelwascher's requête on a possible way of improving landing and take-off capability at the runway some months ago. I am not sure we are not beyond the stage where we ought to be commissioning further reviews about the case for lengthening the runway. My instinct is that the Members who believe that the runway should be lengthened should just get on with it and make the case.

Now Deputy Parkinson would say that he has just got an open mind and he is neutral on the matter but he would like to be convinced one way or the other, and actually I am very close to him on that point. But I am not sure that that justifies the States spending up to £700,000 just because Deputy Parkinson and I and a few other Members perhaps are not quite yet sure, despite the years of information one way or the other that has been provided in relation to this case.

Furthermore, I am not sure that we would be in a better position to come to a conclusion if phase B or whatever it is called were commissioned, because I am not someone who says we cannot believe in experts, but I am slightly sceptical of the endless reports produced by consultants, and they all incidentally tend to come from the same firm, firms, group of firms, and I am not sure this first stage has told me a great deal more than I knew already.

There was one carried out into the housing market a couple of years ago which I thought was of very dubious quality and which I do not think has enabled the States to take housing policy forward at all, in fact it left more questions unanswered than answered, and I do tend to think that ... there was one carried out for the former HSSD which concluded that there were, I do not know, £20 million a year of savings or something which the current HSC has more or less said ought not to be given much weight and has convinced the States it ought not to be given much weight

because the States now appears to have no time for the idea that there are substantial budget savings available in HSC, and I agree with that incidentally, but they were sat there or the claim was made in a consultant report some years ago.

So I am not convinced that by carrying out a further report any of us who remain undecided about whether the runway should be lengthened are going to have more arguments than we had previously.

I am not convinced by Deputy Graham's argument that we ought to vote for 1(b) so that a report can be produced, which ends the argument once and for all. (**Several Members:** Hear, hear.) I know I would disappoint Deputy Inder if I make a speech that does not refer to Brexit. I think Mr Cameron said there had to be a referendum in order to end the debate once and for all, (*Laughter*) but more to the point on this particular issue there have been reports to end the debate once and for all. In 2002-03, maybe slightly before then, there was a report carried out. I think Deputy Le Tocq was in the States then, and one or two other Members may have been, and I think I remember Deputy Bisson picking up a report and saying the answers are in this report, we ought to extend the runway. This was at the time when the terminal building was being developed. Deputy Trott would remember that as a Member of the Board of Administration. I think the Board of Administration argued that the runway did not need to be extended, but the States had a debate at that time and there had been a report commissioned to end all reports.

I will give way to Deputy Graham.

**Deputy Graham:** ... [*Inaudible*]

**The Bailiff:** Can you put your microphone on, Deputy Graham?

**Deputy Graham:** I am grateful to Deputy Fallaize for giving way.

I ought to elaborate a little bit on the argument that perhaps I did not develop properly yesterday. I am not claiming, and if I did I did not mean to, that any investigation done by professionals who are regarded as neutral and expert was going to kill the argument for ever. All I was saying is that it vastly improves the prospects of settling the matter once and for all. Without it it most definitely has no prospects of settling the argument at all and is just guaranteed to linger on from States to States. I believe it will be a step forward to enable this States or future States to be more decisive when making a decision.

**Deputy Fallaize:** Well, okay, I accept Deputy Graham's slightly nuanced argument that he has put to elaborate on what he said yesterday, but I am not convinced that any such report is going to allow the present States or future States to be in a better position to come to a conclusion or end the debate at all.

In fact it is quite possible that if there is another report carried out, well a few things are possible, one is that the consultants might say, 'We cannot come to a definitive conclusion; there are three or four options available to the States. If the States wanted to reach this particular set of policy objectives it could do this, if the States wanted to reach this set of policy objectives it could do that.' In fact I suspect that is quite likely, given the nature of these reports. Then I think the States will be faced with the same set of problems which is they will have to make a policy decision based on the information they have available.

So I think although I am not inclined to support Proposition 1(a) because I really do not want to stop the Committee for Economic Development from carrying out any further work it believes is necessary in order to fulfil its policy commitments, I am not sure I can vote in favour of Proposition 1(b) and I am not sure I have the justification to vote in a way which directs the Policy & Resources Committee, does not give them any choice in the matter, directs them to open a capital vote of up to £700,000 to spend money on a report which I think would be of very dubious value. So I am not sure of the cost of the report.

I suppose where I am really going is –



Oh, I will give way to Deputy Dudley-Owen who might be able to assist me.

**Deputy Dudley-Owen:** No, I am very grateful to Deputy Fallaize for giving way because I just wanted him to clarify a point please. Did he say that would enable the Committee for Policy & Resources to open up a capital vote because obviously the amendment yesterday was successful that would give that to the Committee *for* Economic Development? I may have misheard but if he would just clarify which committee he was referring to.

Thank you.

**Deputy Fallaize:** No, Deputy Dudley-Owen did not mishear, but she has misread the Proposition because Proposition 1(b) says, as amended: 'To direct P&R to open a capital vote of up to £700,000 ...' – I have not got the amendment in front of me but it was something like, '... in order to allow Economic Development to commission the further work.' So the direction the States is being asked to provide here is to the Policy & Resources Committee because the Committee *for* Economic Development does not need permission to do what it would like to do.

I will give way to Deputy Parkinson.

**Deputy Parkinson:** Well, sir, I think the point that Deputy Fallaize is missing is that that part of the Propositions was drafted by the Policy & Resources Committee; the direction to the Policy & Resources Committee to open a capital vote came from the Policy & Resources Committee. Deputy Fallaize cannot pretend that the States are doing something to Policy & Resources which they do not want.

**Deputy Fallaize:** Well, actually the States would be doing something to the Policy & Resources Committee which it does not want because it is asking the States not to direct it to open a capital vote.

Now Deputy Parkinson does make a fair point: that Proposition was written by the Policy & Resources Committee, but nonetheless it is now in the States and what the States is being asked to do ... there is a Proposition here, it says:

The States are asked to decide whether they are of the opinion:  
1(b) to direct Policy & Resources Committee to open a capital vote of up to £700,000.

One cannot escape the fact that that is the direction the States are being asked to provide.  
I will give way to Deputy Gollop.

**Deputy Gollop:** Thank you very much.

I have been walking about for a minute or two thinking about this because Deputy Fallaize is making an interesting case but it is contrary to what in reality is often the office politics of how the public sector in Guernsey works.

You see Deputy Fallaize is quite correct in saying much of this, if not all of it, is within the mandate of Economic Development based upon economic development criteria, but like my role at Development & Planning Authority, sometimes it is helpful if the overall Assembly gives a lead as to what workstreams and the approach they wish to take in utilising their own scarce and relatively finite resources, rather than going off on a mission with perhaps differences of opinion within the organisation.

Now in this case the States, perhaps foolishly in retrospect, gave the task to Policy & Resources and a leading accountancy firm who have come back with a report and it is Policy & Resources who have been actively trying to stop any further work being done on this, so the purpose of the vote which Policy & Resources set up, successfully amended yesterday, is surely to give the overall Assembly on a matter of extraordinary public and commercial importance to direct Economic Development with an open mind to look further into the issues and effectively tick the box up to

£700,000 over competing priorities over say a tourism strategy or other things to get on with the work.

Without that there could be criticism, as there has been of other committees I have been involved with, that they are acting outside of their mandate or acting against Resolutions. This is precisely the opposite of that; it is giving permission, if it succeeds, through a reluctant Policy & Resources finding them the money for Economic Development to come back with the arguments that they wish to put.

**Deputy Fallaize:** Yes, so I accept what Deputy Gollop is saying is –  
I will give way to Deputy Ferbrache.

**Deputy Ferbrache:** Sir, again a truly excellent speech from Deputy Fallaize but I wonder where it is leading us ... It is lots of words but if he is right and let's say he votes against 1(a) and the States vote against 1(a), let's say he votes against 1(b) and the States vote against 1(b), we have got no recourse at all in practical terms because we have had practical solutions, as Deputy Graham said, otherwise this issue is just going to carry on.

So in practical terms the words are wonderful, the sentences are great; it reminds me of Neil Kinnock's famous speech with Mrs Thatcher where he managed to lose 50 votes. But in connection with all of that how does he see a practical solution if the States reject both 1(a) and 1(b)?

**Deputy Fallaize:** The practical solution is if the Committee *for* Economic Development wants to carry out further work to assess whether the runway should be lengthened, based on arguments around economic development then it should do it.

I want to know what happens – I cannot answer what happens if 1(a) and 1(b) are lost because the States' Resolutions do not have some kind of religious quality; if the States do not agree that no further work should be carried out and do not agree to direct the Policy & Resources Committee to open a capital vote that does not mean that no further work will be carried out to assess the extension of the runway.

We just have to be a bit careful because I know what the prevailing public perception is about what the States are deciding today. Some people probably believe that the States are deciding whether to extend the runway, and the people who do not believe that, who take an interest in the matter, probably believe the States are deciding, making a concrete decision whether further work is carried out on investigations to extend the runway. But the States are not in that position today. If the States reject Proposition 1(a) and reject Proposition 1(b) it is entirely possible that the Committee *for* Economic Development tomorrow could decide that more work should be carried out to investigate lengthening the runway because they believe there may be a case on economic grounds.

I know what Deputy Ferbrache thinks. He thinks this is all how many angels can dance on the head of a pin and it is all about process but – I will give way in a moment to Deputy Tindall but I want to finish the point – that is not the case. It is easy to say that, it is very easy to say, no, no, no, but what I am trying to say is ... okay if I am forced into it I would say at this stage I do not believe there is a *prima facie* case for spending up to £700,000 to look at extending the runway.

I think if there was a *prima facie* case that the Members who have wanted for years to extend the runway would now have put it before the States. I am still not giving way to Deputy Tindall because I am still on the same point. I think that they would have the information available to pursue that case. So I am not convinced that I should be saying yes. I believe there is enough information for us to carry out that business case to see whether the runway should be lengthened.

My instinct tells me based on the information available that it is most likely that a runway extension would lead to fewer rotations; (**A Member:** Hear, hear.) would make not very much difference to price; (**Several Members:** Hear, hear.) and potentially would leave us not in the

position Jersey is in with its 60% greater population or whatever it is, 50%, but in the position the Isle of Man is in. (**Several Members:** Hear, hear.) That is my instinct. I am very happy to be persuaded otherwise but based on my instinct I do not think I can direct the Policy & Resources Committee to spend up to £700,000 carrying out any further work. But equally I do not want to stop the Committee *for* Economic Development from carrying out further work which falls entirely within its mandate.

So what I would like to know from a Member of the Committee *for* Economic Development – I am not sure if Deputy Tindall has spoken yet but in any event she wants me to give way, so I will in a moment, so she can answer this question – is what happens in practice if the States vote against Propositions 1(a) and 1(b) because if Deputy Parkinson says, and I believe him, that carrying out further work would not cost up to £700,000? I want to know what it would cost, and would the Committee *for* Economic Development be prepared to fund it out of its existing budget. Is there the possibility of the Committee *for* Economic Development reprioritising its budget and saying we are so convinced that there ought to be an investigation into the business case for lengthening the runway that we are prepared to spend £200,000 or £300,000 or whatever it would cost to get to that stage. Because I suspect what might happen is that the Committee would have the headroom within its budget to spend that money, will not spend it and will say, 'Well, the States did not allow us to get on with the analysis into the business case.'

But I will give way to Deputy Tindall so she can tell the States what the Committee *for* Economic Development will do if Proposition 1(b) is lost.

**Deputy Tindall:** Sir, I am very grateful to Deputy Fallaize, but unfortunately as I am sure he is aware, I could not possibly comment as to what the Committee would decide to do in those circumstances because it is a Committee decision.

That said, would he not agree with me that if we put an amendment to the P&R Plan for 2019 for such funding we would be in a *déjà vu* situation because that is what happened in 2017?

**A Member:** Hear, hear.

**Deputy Fallaize:** Well, I cannot take responsibility for that because I voted against all those attempts to push the thing out into the long grass, and I could not understand why the previous Committee *for* Economic Development voted the way it did, and I think they accept that that was probably an error and we would have been further down the road now if that review had not been commissioned.

But I just feel that what is happening here in a sense is that the Committee *for* Economic Development is asking the States to reach some conclusions which itself is not prepared to reach, and if there cannot be any clarity provided on what the Committee *for* Economic Development would actually do in practice if 1(b) is defeated, I suppose I have to stick to my position that I do not want to rule out the possibility of any further work being done because I think there may be circumstances in the future where there needs to be a lengthening of the runway, but I cannot be shown a *prima facie* case for extending the runway, and in the absence of that I am not sure I can agree to direct the Policy & Resources Committee to open a capital vote of up to £700,000 for that purpose.

I will give way to Deputy Parkinson.

**Deputy Parkinson:** Well, sir, I too cannot speak for the Committee *for* Economic Development who have not discussed the issue of what would happen if the States votes against Proposition 1(b). I can only speak for myself.

The answer to the questions Deputy Fallaize has posed from my point of view is we do not know how much the work would cost to undertake the review and so it is not possible for us to say standing here that we would take this on within our own budget. But I have to say it would be unlikely that we would pursue the matter because if the States is not willing to support 1(b) that

very much suggests that the States would not be interested in the results of any research that we might produce off our own bat, and far less that if the result of that research was a recommendation that a runway extension should be undertaken that the States would approve the work to extend the runway.

I think if Proposition 1(b) is defeated we would have to realistically accept that that signalled the mood of the States that they do not want the runway extension considered and in those circumstances it would be very foolish for us to waste time looking at it.

I think also if Proposition 1(b) is defeated the same message will go out to our community and specifically to our business community. They will understand that the States of Guernsey is not interested in investing in the infrastructure of this Island for the development of our economy. They will understand that the sign has gone up on the door 'closed for business' and they will move their businesses to Jersey. (*Interjections*)

**A Member:** Hear, hear.

**Deputy Fallaize:** Okay. So Deputy Parkinson has made two interesting points.

On the first point, what would the Committee for Economic Development do if 1(b) is lost, obviously I can only speak for myself but if I was to vote against Proposition 1(b) and Deputy Parkinson interpreted my vote in the way he says he would, he would have misinterpreted it. I can only say that as an individual Member I do not know if there are other Members in that position but that would be my position. So if 1(b) is lost and Deputy Parkinson says, 'Look, we are going to reprioritise our budget. We really do think there is a case for carrying out this further work, we are going to carry it out,' I would be entirely relaxed if Economic Development were to react in that way. I cannot speak for other Members.

The second point he made I think is very key to this debate about the perception and in particular the perception of the business community. I think that actually gets us to the nub of this debate. I think because there is not a *prima facie* case for extending the runway at the moment otherwise the proponents of it, not the neutrals like Deputy Parkinson and I, but the proponents of it and there are some who would have put the case before the States long before now.

I think that this debate is very largely about sending a message out to the business community that Guernsey is sufficiently open for business that the States are prepared to acquiesce to the demands of the business community to give further consideration to lengthening the runway.

We only have, what, 13 months, 12 months really of States' meetings left in this term. Whether or not there is a review carried out in the way that is proposed in Proposition 1(b), I think it is highly likely that it will not be this States which makes the decision about whether to lengthen the runway, and even if it is this States that makes the decision, it is likely to be an 'in principle' decision and the actual capital project will have to come back to a future States.

So it is perfectly possible to vote in favour of Proposition 1(b) and to say to yes, to say to the business community, 'Yes, I want Guernsey to be open for business, I want to carry out further work on whether the runway should be extended, you can trust me to make business friendly decisions safe in the knowledge that the decision on whether to invest tens of millions of pounds in the project will actually be a matter for the next Assembly.' I think that is the reality of where we are and that much of this debate is not about what happens in practice but is about messages that are sent from the States and is about public perception and in particular the perception of the business community. Now I do not say that those are not considerations that should be taken into account, but I do think that that is the reality of where we are.

So I cannot vote for Proposition 1(a) because I just think that to tell a committee which has a mandate to develop policies in a particular area that it must not do something on the basis of what is before us today, I just cannot do that.

But equally I think I have to have a bit more of a case even in principle for extending the runway, because at the moment it appears to be an entirely speculative venture and we could

spend any number of hundreds of thousands of pounds on any kind of speculative venture to  
 785 boost the economy.

It would be interesting if the States were to say to Deputy Parkinson's Committee, 'There is  
 £700,000. Add it to your revenue budget now.' Would they say, 'Yes, the very best way we can  
 spend this £700,000 in order to enhance our economic prospect in Guernsey is to pay PwC, or  
 790 whoever is going to carry it out, up to £700,000 to carry out the phase B report'? I am not  
 convinced they would, and yet the only case for extending the runway so far as it is presented to  
 us is on the grounds of economic development.

So that is my thinking. I know some Members do not agree with it, I know some Members  
 think it is confused. Deputy Ferbrache thinks it is not getting to the heart of the issue, but he  
 always thinks that about my speeches! *(Laughter)* So I will definitely vote against 1(a). I am minded  
 795 to vote against 1(b) unless a Member of the Committee for Economic Development or any other  
 Member can convince me otherwise in the meantime.

**The Bailiff:** Deputy Le Tocq.

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

My speech will be very much briefer because Deputy Fallaize has put far more eloquently than  
 I could the points that I made to him in a conversation earlier! *(Laughter)*

**Deputy Fallaize:** Point of correction, sir.

805 It being 10 to 11, Deputy Le Tocq was not here to put the points to me earlier! *(Laughter)*

**Deputy Le Tocq:** It was a very short conversation.

Sir, the point that he did bring out which I think is an important one for certain Members in  
 this Assembly and it highlights why Policy & Resources have presented the Propositions in the  
 810 way they have, in terms of Proposition 1 at least, even as amended; and that is, there is a third way  
 for certain Members here in this Assembly, which as Deputy Fallaize has highlighted, sir, is to vote  
 against 1(a) and (b).

Ironically, sir, there has been very little discussion on 2 which I think is a real shame, but I am  
 not terribly surprised. Proposition 2 does ask this Assembly just to endorse what Policy &  
 815 Resources can do anyway under its delegated authority, and in a sense if the Assembly votes  
 against Proposition 2 Policy & Resources could still go ahead and do that.

Now the point is this, if the Assembly votes for 1(a) really what Deputy Parkinson alluded to in  
 his interjection into Deputy Fallaize's speech I think would come about. I do not think that is the  
 case if 1(b) is voted against. But I think if 1(a) is voted for then obviously part of that is to agree  
 820 this Assembly that no further work is carried out, so effectively it is removing an element of a  
 mandate that is already within Economic Development.

Now, sir, I am not in that sort of position and that is why I was keen that this Assembly is given  
 the option between 1(a) and 1(b) and the reason for that is I do genuinely believe there are some  
 people here who feel that spending whatever it is in terms of hundreds of thousands on a further  
 825 investigatory report will somehow produce enough evidence to convince them or this Assembly  
 that the Airport runway should be extended.

Sir, I am not actually of that opinion because, to be quite frank, I am disappointed at the PwC  
 report that we have got already. I think it really was the sort of report that comes back and says,  
 'Well, you could do this, you could do that, you could do the other,' and we have paid money to  
 830 tell us what we already know.

Now I am well aware of the fact that we could therefore spend an inordinate amount of money  
 on further reports and, for goodness' sake, many people in this Assembly who support 1(b) are  
 often the first to criticise the numerous consultancy reports that we have *(Interjections)* telling us  
 exactly what we already know.

835 Now I am not against doing that when it is appropriate, but because I am disappointed at PwC's first report, even if it is not them, I am not convinced at all that we will be any more certain once further work has been undertaken.

I will give way to Deputy Oliver.

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

Do you agree with me though that a lot of the report is based on what the terms of reference said, so actually if the terms of reference had maybe been more defined and actually what we wanted to get out of the report, the report could have actually been very different?

845 **Deputy Le Tocq:** I accept that that is an argument that is often made when reports like this are presented to us, but that could equally be the case once we have spent even more money on a further report.

Because, sir, I think the real issue is, and people have hinted at it, despite the fact some certainly outside of this Assembly and some within this Assembly, because I do not think it has been a particularly good debate and I am probably not adding to that, think that this debate is about whether we extend the runway or not, and it is not.

But, sir, I think the issue is more of the fact, and it has been hinted at, as I said, that whether we extend it or not if that in due course is the end product we will still need, if we want to see the objective of lower prices and greater options, to subsidise or to put incentives in place in order to attract those carriers here.

855 Things that we are already doing and I am glad that we are doing them because I agree with that; and because we can do it in the way that we are doing it at the moment we are able to be a little bit more effective, I think. The danger is that if we continue to move in this direction we fool ourselves into thinking that we will somehow have appeased those who are crying out for lower fares, and I do accept there are people out there. In fact some people might say we should put this to a referendum – please do not take that as a suggestion – but I think there are people out there who feel that is the main objective, to put lower fares.

860 If that is the main objective, well, I think why do we not just go and subsidise far more (*Interjections*) because that way we would at least keep the frequency, which I do think we are very concerned about. I do think we should be concerned about it because I have been to Jersey but the Isle of Man certainly is empty most of the time, running an airport with hardly anything going on for most of the time.

870 Now, sir, I do believe therefore that there are three possibilities today and whilst I am not convinced we should be spending more money on a further report, if those in this Assembly who believe that extending the runway will produce the results that we have spoken about then I invite them to come forward with that evidence and bring it to this Assembly so that we can make a decision on that, because I will be quite happy to have that debate.

875 If others do not believe we should be at this time and I think 1(a), if you vote for it, will probably only put it to bed for this Assembly. It is true it could come back at some later stage, but if there are other things that you think we should be spending hundreds of thousands of pounds on, if not millions on, like me at this juncture, then I think that you should support 1(a). If you do not you can support 1(b), but do not expect that anything that comes out of 1(b) will be any better quality or give any greater assurance to us in this Assembly that we should extend the runway, because it will not.

880 Almost certainly and this is obviously my opinion, most certainly it will say, well, if you do this this will be the result and these will be the implications, and it will also say, because it is already being stated in the current report, that we have got and even the supporters of 1(b) have stated this in this debate, that we will need to further supplement our incentives and subsidies to airlines in order to achieve those objectives.

885 Now, sir, with regard to 2, as I mentioned earlier, Policy & Resources is just asking the Assembly to endorse what it can do. Now I think it is an important endorsement here because it

would be seeking to investigate something that is currently not the way we have operated ever before really, and I think that is an important aspect that we ought to be looking at, and if this Assembly is serious about saying Guernsey is open for business whatever happens to airline traffic in the future and I have heard all sorts of things about – and again a lot of this is speculation with Proposition 1, but with Proposition 2 I think we can say that for the next foreseeable future, for the decades ahead if not centuries ahead, we will be reliant on the sea to bring to Guernsey (**Several Members:** Hear, hear.) what we need in order for this Island to flourish. (*Interjections*) Sir, however, as unpopular that might be and how unglamorous that might be that is where the investment should be.

I rest my case, sir.

**The Bailiff:** Deputy Tooley.

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

I voted for the amendment yesterday because it strikes me that if you are going to send out a search party after a golden goose it is better to send a search party who believe that the goose exists, or at least that it might exist, than one who does not.

But now we have to decide whether the goose, real or imagined, is worth the chase. We need to come to an opinion on whether the goose the chase might reveal will ever lay enough golden eggs to justify the cost of the hunt and the coop you would need to build to contain it. I am not convinced that geese who lay golden eggs exist; I am not convinced that a business case can be made for this extension.

I am, however, of the opinion that we might be or might soon be in a position where we need a goose who will lay ordinary eggs that regardless of the business case we might at some point need to enlarge our runways. I am left therefore with the question of when that further work should be commissioned, if at all, and what that work should be.

Proposition 1(a) is not suggesting that we do nothing at this stage but that we bear in mind that STSB are already looking at various options which might work towards producing the result we need. While 1(b) asks us to commit up to £700,000 to work up other options not alongside the work that STSB is doing but almost without regard to that work in the text that is placed before us as a separate project.

But this figure and in fact the meat of the proposal are brought not by the Committee which will, following the amendment of yesterday, be carrying out the work; and considerable time yesterday was spent debating the wisdom of policy letters etc. being brought by a committee which has not had ownership of them. So here we are asked to do just that and commit £700,000 of taxpayer money to do so.

Last night, Deputy Inder suggested a compromise, an amendment to agree 1(b) but at a lower ticket price, spending only around £300,000 or less. I played around with that a bit, I added in the involvement of E&I and requiring the work to be done alongside and with regard to the work being carried out by States' Trading Supervisory Board to look at the RESAs and so on. As a compromise I was happier with this. We spend less, we get the same answers and, importantly, we find answers to questions we have asked for many years and will continue to ask until we finally answer them.

But that is like my children saying I want all these things without actually looking in the piggy bank to find out whether the money is there to afford them, and £300,000 or £400,000 or whatever, that is merely a figure plucked from the air. To spend too little money on a project so that it is incapable of delivering on its aim would be worse than to spend nothing. To do that would move us on no further forward but simply leave us with emptier pockets.

It does not address what I suspect is the real issue: how do we ensure that our air links are not just affordable, frequent and to desirable locations elsewhere, but are also most importantly sustainable?

As Deputy Hansmann Rouxel stated, we need to identify the problem before we decide the right way to solve it. Our population is not large enough to sustain the links we require, and we need to decide therefore how to create the demand which will support the local need.

Tourism is an obvious potential part of the solution, and we need to fully explore how this can be used to plug the gap, it is a debate we need to have in public.

These thoughts therefore brought me to a position where I thought I would stand before you today and say either that I would vote for 1(a) or that I would vote against both Propositions, as Deputy Fallaize has suggested – while hoping that Economic Development would return with a policy letter of their own which better laid out their intention and costings for which I could then vote with a glad heart.

No speech from P&R or Economic Development has really changed that, but Deputy Hansmann Rouxel might have changed my mind. What I have not, however, heard from Economic Development is any commitment that this work that is proposed in this policy letter as amended would cover the issues that were outlined in her excellent speech.

So if Economic Development were able to offer assurance that this review would cover the issues highlighted within the £700,000 top end figure that is proposed in the Proposition then I could support 1(b), but as has already been said, Economic Development did not bring these proposals. They are not the people who looked at the costings, they are not the people who decided what that figure ought to be, so I do not see how they can offer assurance that they can do this work within this money. If they can that would be great.

What I am really concerned about and the reason I suspect I will probably vote against both Propositions is because I do want to send the message to both Economic Development and to the public that this is not work I do not think that needs to happen; I am just not quite sure we have got the right list of work that needs to take place or how much it will cost in front of us.

What I am worried about is that we will spend so long looking for a goose that will lay golden eggs that we will miss the puffin with the beak full of fish. (*Laughter*)

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Thank you, Mr Bailiff.

A number of people have referred to page 28 in the Guernsey air links report and the fact that we have a declining number of passengers, but when you actually analyse that graph it shows that in fact the passengers to the UK from 2006-17 has practically remained the same; there has been a 0.2% decline, a very mild decline. The big decline has been the inter-Island travel. So it is a very different situation economically. In fact UK travel is practically unchanged, the decline has been in inter-Island travel and an extended runway will make absolutely no difference to inter-Island travel.

I would like to quote a series of things because I think the case has all been made in what we have and Deputy Parkinson partly referred to historical reports yesterday, but let's go back to July last year when we had the open skies report and I will read from it:

Gatwick is Guernsey's most travelled air route and accounts for over a third of Guernsey flights, 37% of total passenger movement. It supports a significant resident travel, 64% of the routes' passengers are residents and it enables frequent business travel to London. It is the second most important destination for non-urgent medical trips funded by Social Security 1,124 movements in 2016 and it is also important for leisure travel to both residents and visitors. Overall Gatwick is essential for economic prosperity, important for residents' social wellbeing and useful for health care needs. This makes the Gatwick route a lifeline route for Guernsey.

So it makes no sense to me, with Gatwick being so important, if you extend the runway, if you do not then allow low cost carriers on to Gatwick. It is such a significant part of our Airport's traffic, when we know that most people use Gatwick, as I have said.

Well, let's see what would happen if we go back to this report. Guernsey Air Links, if we look on page 55 affordability, it says:



Fares seem pricey, but we balance.

And this is from Mark Darby Aurigny CEO:

Fare [prices] seem pricey, but we balance cost with revenue. If there was a runway extension and an LCC [low cost carrier] came in, [it] would destroy our business model. easyJet would just price us out

985 That is what will happen, that is what his view is. Let's carry on from that report on low cost carriers on page 9 features of low cost carriers. Low cost carriers could expect as has been said above:

... significant market support in order to base aircraft and grow route networks. However, they have the fleet and scale to expand quickly and develop new markets and routes. Additionally, the Isle of Man is an example of an airport where the introduction of [low cost carriers], in this case easyJet, has had negative impacts on scheduling.

What effect would that have on business connectivity if we have those negative effects on scheduling. It goes on to say on page 14 infrastructure options:

... there is no guarantee that airlines will provide any additional capacity without significant financial and commercial support.

990 What will be the cost of such subsidies, as well as having to finance Aurigny's losses because they will be undercut possibly losing the guaranteed access we have by owning the slots.  
I go on. It says on page 8, Connectivity:

What the data says ... Guernsey is relatively well connected for an island of its size ...

**A Member:** Hear, hear.

**Deputy Dorey:** We do not realise how lucky we are. It goes on to say:

What we heard from stakeholders ... Business travellers value connectivity and frequency highly, and in particular value reliable early morning/late evening flights to enable day trips and efficient use of time.

995 Have a look at easyJet. They do not base the plane in Jersey, they base the plane in Gatwick. It has to come from Gatwick to Jersey. We would lose that early morning flight unless we pay significant subsidies to them.

1000 **Deputy Parkinson:** Point of correction, sir.

**The Bailiff:** Deputy Parkinson.

1005 **Deputy Parkinson:** The Gatwick route remains a licenced route and Aurigny is the only airline licenced to fly on it. There is no suggestion that easyJet or any other airline would be licenced to fly on Gatwick.

**Deputy Dorey:** Thank you.

1010 But the precise argument I made is that if you were going to extend the runway if, as I have said, it is 37% of our Airport is based on Gatwick, it makes no sense to extend the runway and then say 37% of our travel is not open to the very people that you were trying to encourage, which is low cost carriers – (**A Member:** Hear, hear.)  
I will give way.

1015 **Deputy Parkinson:** Certainly the point of extending the runway if it is viable is to increase the number of passengers flying to Guernsey not to retain the same size of cake and redistribute it between the legacy airlines and low cost carriers.

When easyJet introduced air services to Jersey they did not start with Gatwick, they started with Liverpool and the reason why Jersey gets so many more tourists than Guernsey does is because easyJet now have seven routes into Jersey cost of flights to Jersey is significantly lower than the cost of flights to Guernsey and the job of Economic Development is to try and grow the cake. We are trying to attract more tourists

**Several Members:** Hear, hear.

**Deputy Dorey:** I will get to those points later on.

I go on to say about again quoting from the report. Runway extension comparison on page 66:

Low cost carriers would likely operate fewer flights ...

This is what the report says, this is the information that we have got, totally different to what Deputy Parkinson is trying to say.

Low cost carriers would likely operate fewer flights, potentially at less convenient times, which would harm frequency and connectivity. This ... [would] have a particularly negative impact on the business community, which is known to favour frequency over low ticket fares.

That is outlined again in the report. If you look on page 37 the views of key passenger groups regarding connectivity:

Adoption of larger aircraft [will mean] rationing of flight times ...

– this is what the report says –

... which affects business travellers [and tends] to be particularly sensitive to convenience of flight times.

On page 34 it has got a graph of the initial views of relative priorities of passenger groups and it says business – schedule and capacity is their number one (**A Member:** Hear, hear.) for leisure and visiting friends and relatives – affordability. But we would have a significant effect on business travellers.

Interestingly, I said about the importance of the morning and evening flight; on page 52 it says:

... morning and evening fog are most common which coincides with the busiest operational times for the airport ...

– and the most important times for the business sector. We will have far more effect because the plane will not be in Guernsey overnight, it will be in Gatwick. That is what happens with the Isle of Man, that is what happens with Jersey with easyJet. I just cannot see how Guernsey would be different.

I go on to say that we are different and Deputy Parkinson says the effects as in Jersey, but we are different from Jersey. On page 47 there is the comparison chart. We have 59% of Jersey's population. Guernsey percentage compared to Jersey: Airport passengers are 50%, but actually seat capacity is 57% but our GDP is 71%. So you do not necessarily have to have this magical mass of passengers in order to have GDP, because in fact our GDP is far closer to Jersey than our population or our number of air passengers. So this idea that you unlock this massive economic development because you have a longer runway and more passengers, the figures do not say that.

What would happen if we have a longer runway and we would have competition? The pressures will be, and the pressure from the public will be, 'We want low cost carriers on Gatwick.' We have tried competition to Flybe and Aurigny and what happened? Well, it did not work; one of them pulled out and we decided to protect our slots. That is why we bought Aurigny. We invested in Aurigny to have those necessary slots.

1055 Let's look at what might happen with Liverpool and Manchester. Deputy Parkinson quoted  
Liverpool where easyJet flies to. We now have two flights a day to Manchester. Manchester has far  
greater connectivity than Liverpool. If you had easyJet coming into Liverpool you would no doubt  
suck people out of Manchester and they will go to Liverpool, as it is in the same area but we  
would lose that connectivity. I do not think that would be beneficial to us in terms of being  
1060 connected to the rest of the world. We might have cheaper flights to the northwest but we would  
lose that connectivity we get with Manchester and those two flights a day.

What is important with connectivity is the frequency of flights to that airport.

Deputy Parkinson has quoted from previous reports and he actually said we have all the  
information, so I do not see what the point is of doing this study. I just cannot see the point of  
1065 commissioning a study. There have been numerous reports – Deputy Fallaize referred to them –  
done in the past and we have this significant report in front of us.

I believe we have the information to make a decision. I remind Members that a business case is  
a justification for a proposed project or undertaking and its expected commercial benefit.

A large runway will not generate the landing fees to pay for a large runway; it will not even  
1070 generate the landing fees to pay for this £700,000 report. I just cannot see the benefit of spending  
that money. If we have that money to spend, we would be far better to substitute the electricity  
cables to France and reduce the cost to our community. I think that would be far more beneficial  
than basically what we would be doing is subsidising people's holidays.

It will not generate the money, as I said, even to pay for the report. All it will end up is we will  
1075 have a low cost carrier on Gatwick, we will devastate Aurigny, we will have to cover losses, we will  
face that Aurigny will be making significant losses, we would have these slots where they could  
not afford to fly them without making massive losses which have to be then covered by the public  
purse.

So I cannot vote for 1(b) and I will vote for 1(a) because I just think that we have all the  
1080 necessary information it is there and we can make a decision.

But I did note Deputy Parkinson's comments on 2 and I suppose I started this debate thinking I  
will vote for 2, but I will listen to the summing up from Deputy Trott before making a decision. But  
I am less likely to vote for 2 either, but I will listen to his comments because I would like him to  
answer the comments that Deputy Parkinson made on that.

1085 Thank you.

**The Bailiff:** Deputy Tindall.

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

1090 We are being asked today whether to commission further work on the case on the extension  
of the runway and whether to work on contingency planning for sea links. Both reviews we are  
told could cost thousands of pounds, and hundreds of thousands of pounds even, and both may  
result in recommendations for expenditure on infrastructure which could cost many millions of  
pounds.

1095 For several reasons, I do not think that these figures are as scary as that, either for the review  
or any work, and worthwhile work, I should stress, on the runway. Unlike others, I am going to  
start with Proposition 2. I agree with Deputy Parkinson and I too will not support this Proposition.

I do not agree we should spend up to £400,000 on a review on contingency options, whilst  
only some of us have seen greater detail than what is in the policy letter and maybe that is to a  
1100 certain extent why it has been raised so little in debate.

But what is in the public domain is the work of Economic Development and what we are doing  
to cover realistic contingencies. We are in contact with ferry companies not just Condor and as  
Deputy de Lisle said yesterday, we should work with Jersey where we can. I do not think this  
amount of money is a proper use of funds.

1105 I turn to the review on the extension of the runway. Deputy Trott says we should only vote for  
1(b) if we believe that the current options will not achieve our objectives and that the extension

will. But this debate has really felt like *déjà vu* and why I was so disappointed was that this was debated last December. The comments of others, we as a States did agree a policy which included tourism. Economic Development was given the direction and agreed current objectives of improving connectivity, affordability and reliability of air links. These were agreed December 2018 when the States approved the Propositions in the Committee *for* Economic Development's policy letter entitled States of Guernsey Air and Sea Route Policy Development and Investment Objectives. I believe most of those objectives and the policies can be achieved by our current options and those can be done in a short space of time.

In fact when I saw the PwC report last August I was shocked that there was such easy wins including open skies with more routes and the connection to an international hub. But the commissioning of a part B report, for me, is important as I am looking to the future.

I want to see the business case for an extension of 1,700 m or 1,800 m to understand what either may achieve and whether that would be an even better outcome than our current options. I think a review will assist in assessing whether there is value in such an extension to be done in the next few years or further in the future or even staged approach although certainly not repeating the errors of the past, it will inform a new tourism strategy.

However, sir, when I first read the policy letter on 9th March I was concerned by the content of the two Propositions and I really feel that this has caused quite a lot of concern in this debate so far. The first was that in my view Economic Development should be doing the review, and of course that has been dealt with. The other concern was over the wording of Proposition 1(a) but more particularly the summary of the reasons for the Proposition given in the policy letter.

I raised this with my colleagues on Economic Development and it was agreed that I would ask for clarification on that wording from P&R during debate rather than lodge an amendment, but it is clear from Deputy Parkinson's speech that both of us have given this more thought, he in respect of Proposition 1(b) and I in Proposition 1(a).

I start with my concerns with Proposition 1(a) which says:

... that no further work is carried out to assess the business case for extending the airport runway outside its current boundaries given the other options available for meeting Guernsey's air links objectives including the work of the States' Trading Supervisory Board investigation ...

Proposition 1(a) indicates there are other options available including STSB's work on the RESA, even if that is not looking outside the Airport boundaries, but we read in paragraph 5.40 of the policy letter that – and I should add that this is in bold in that policy letter:

The Committee agrees with PwC's view that as the 1,570m runway does not break the boundary of the airport, and if it allows an A319 aircraft to land, then it would represent a relatively low cost and potentially beneficial solution that should be relatively quick to deliver. The Committee does not believe any further work from an independent consultant is required given the work that [STSB] is already undertaking [on] an assessment of the potential for extending the RESA. The Committee notes that in due course [STSB] will report back to the States of Deliberation.

My immediate reaction was that there are other options other than the RESA, so I asked myself does this Proposition 1(a) preclude investigations of options other than the RESA within the current Airport boundaries. I think it does not, in fact I am unsure if P&R are aware there are other options, but that said because as far as I am concerned the RESA as mentioned in the draft requête was a good idea so I asked PwC to include it in their review. I was then advised by one of the consultants in one of our meetings that it was unlikely that the RESA would be able to be progressed but there are other options within the Airport boundary.

Now whilst I am no expert on airport runway lengths and use of the RESA, or indeed an amateur in this regard, I do know what I was told by an expert and that is there is more than one possibility other than the RESA.

At this point I was going to reiterate that no one in Economic Development has said that they accept the poor figure for overall visitor numbers or indeed been complacent because tourism has been mentioned several times as the reason for the actual involvement of this report.

1150 I would remind Members of the President of Economic Development's statement in February  
and refer Members to the public information websites including all the facts and figures. However,  
that is not the sole subject of this debate; yes, there could be an effect on tourism but not yet, and  
I thank Deputy Dorey for making this point so eloquently. Yes, we can always improve our tourism  
offer but this decision will not resolve the issues and ideas, and actions will. This is part of the  
work on the current objectives in the tourism action plan. Quoting statistics and criticism is one  
1155 thing, action is another.

So back to the Propositions in front of me, some may wonder why I am concerned about the  
wording in 1(a) if I am not voting for this Proposition, but taking into account what Deputy  
Parkinson said earlier, the same concern arises in respect of Proposition 1(b). This Proposition is:

... to commission ... [a] business case for the extension of the airport runway beyond [its] current boundaries to  
1,700 m-1,800m, as set out in paragraph 1.6 of this policy letter.

1160 So to me there is this dichotomy between these two, because I think there are possibilities  
within the current boundaries that are not in the STSB investigation but there are also possibilities  
outside the current boundaries. I would like to look at the whole thing.

So I cannot vote for Proposition 1(a) for that reason, and as I say, this quandary that I feel I am  
in leads me to believe that I must vote for Proposition 1(b).

1165 Deputy Graham and Deputy Ferbrache, I think, gave this way forward that there has to be a  
practical solution and I think by Proposition 1(b) that will resolve it.

I give way to Deputy Fallaize.

**Deputy Fallaize:** I am grateful to Deputy Tindall who said that Proposition 1(b) was a  
Proposition to commission further work etc. but would she not agree with me that actually  
1170 Proposition is a Proposition to direct the Policy & Resources Committee to open a capital vote of  
up to £700,000 and that that is the bit that permission is sought from the States for, because the  
rest of it could be done by Economic Development anyway?

1175 And with that in mind, can Deputy Tindall confirm that the Committee *for* Economic  
Development's underspend on its budget last year was around £350,000 and that it is currently  
underspent on its existing budget and that it could in this debate, if it wished, make a  
commitment to meet at least some of the costs of the review it wishes to carry out and that such a  
commitment made by the Committee may give the States more comfort in giving them  
permission or issuing some kind of direction for this further work to be carried out?

1180 **Deputy Tindall:** I thank Deputy Fallaize for that intervention. There were several questions  
there. I repeat what I said earlier: I cannot commit to the Committee *for Economic* Development  
on what they would say, however, as Deputy Parkinson has given an intimation I am also  
repeating that intimation as I have just, I thought, explained that I do want to see these elements  
considered. Whether or not we include it in the £700,000 capital vote or indeed less as we hope, I  
1185 just feel that 1(b) is the answer to covering all of these points.

I give way to Deputy Parkinson.

**Deputy Parkinson:** While Deputy Tindall cannot give the assurance that Deputy Fallaize  
requires was asked for any more than I can, I think she would agree with me, or I hope she would  
1190 agree with me, that certainly the Committee *for* Economic Development when it next meets to  
consider this matter would take into consideration the flexibility within our existing budget to  
fund part of the costs of any further investigation, which at this point are unknown.

**Deputy Tindall:** I thank Deputy Parkinson for that intervention, because I certainly would  
1195 agree with him on that point, and for me I think it is such an important issue – 2016, on the  
doorsteps we were asked about this, we are now in 2019. This investigation is absolutely essential

and as far as I am concerned whether we have it through the capital vote or otherwise, I feel so strongly that I think the funds need to be found.

1200 So I return to one of the reasons why I think that actually this concern about costs of extending the runway is actually overegged as well and therefore we might not need to use the surplus in our budget because in relation to the element, a full public inquiry for planning purposes ... Deputy Parkinson touched on what can and cannot be done within the Airport boundary in his speech, and I would like to refer Members to section 2.6.4 of the Island Development Plan which says:

The Strategic Land Use Plan requires provision to be made in the IDP to ensure that Guernsey Airport is able to meet modern operational standards and respond to opportunities to strengthen its contribution to the economy.

1205 That provision has been made to the east of the Airport and is known as the safeguarded area. Whilst that safeguarded area is not within the current Airport boundary, if an extension is wholly within that safeguarded area a planning inquiry is not necessary as the principle of an extension within this area has been considered at the IDP inquiry.

1210 I may have been alone in thinking originally that one of the costs of extending the runway beyond the current boundaries was the planning inquiry but there may be no need to incur such costs.

**Deputy Trott:** Sir, on a – you give way?

1215 **Deputy Tindall:** I give way.

**Deputy Trott:** Thank you.

1220 The subtlety of language in this place often mystifies me because it can only be that there is an intention to mislead. What Deputy Tindall is saying is that no planning inquiry is required for an extension of 1,700 m because this Assembly has already made provision to the eastern runway.

However, I had it confirmed last night by professional planning officers that an extension to 1,800 and we are talking about 1,700 m-1,800 m would require a planning inquiry and there are, as we all know, very substantial costs associated with such activity.

1225 **Deputy Tindall:** I thank Deputy Trott for that intervention and I repeat what I said. I said if it is within the safeguarded area ... the planning inquiry. Now he is quite right that it is potentially that the 1,800 m may well be outside that but then again we have had many people say ... and indeed airlines and indeed certain airlines have indicated what they may or may not technically be able to use and 1,700 m is a very viable option. But again I repeat I was considering all of the options that  
1230 PwC have mentioned. The only one, for complete clarity, that I do not agree is worth looking at is 2,000 m, but it is not subject to this debate. So I hope that my further clarification has reassured Deputy Trott that I was not misleading anyone and that it is solely with regard to what can be done within the safeguarded area.

1235 So I also reflected on the 2017 P&R Plan debate and there was a P&R amendment which set in train part A of this review, and it has mentioned. But actually it was aptly described by Deputy Roffey at that time and I quote, he said: 'I was stunned to see it – the Airport runway – as a capital project because I did not think that anybody had yet made the policy case for this.'

1240 He then said: 'Say no to this amendment, do our job first, and if our job is reviewing policy issues around connectivity, show we need a big capital project extending the runway. There is even the hint of a case for that then perhaps justifying spending hundreds of thousands of pounds.'

Well, as I have said, we did look at the policy on connectivity, the States approved the investment objectives of last December, so for me there is a large hint that justifies hundreds of thousands of pounds on the review of part B. Deputy Trott summed up in the same debate by

1245 saying we should look at air and sea links in the totality, look at it in the context of our overall transport connectivity; well this has been done and now it is time to take the next step.

As to that step, the terms of reference have been mentioned. Deputy Fallaize is concerned that the review will not inform a decision, I would like to think the terms of reference, well drafted, would provide the detail he seeks. Having seen the original terms of reference prepared in January 1250 2018 for this review I am satisfied that that can be achieved.

But also another concern was timing and getting it done in this term. This could actually be urged on by a request for a capital vote in this year's P&R Plan followed shortly after by the policy letter with the results of this review. I do see where there is a will there is a way.

So whilst I ask my colleagues to vote for Proposition 1(b) only for those considering voting for 1255 1(a) I ask Deputy Trott to clarify when summing up in respect of Proposition 1(a) and that it is not just restricted to the STSB review of the RESA but actually will look at all options within the current boundaries. Just in case so that there is clear direction because I think that is absolutely essential.

But that said, obviously I am more inclined for all the reasons that we have been told over many years now that I think we will be letting down the public and more importantly all business sectors which does include tourism but also the residents, family and friends who have asked us 1260 to look into this.

I also wish to say that whilst I may not agree with P&R on their conclusions I do thank them for putting forward the policy letter which gives the arguments and allows Members to decide between these two albeit limited reviews in my opinion.

1265 To sum up, I want to paraphrase a comment made by a parishioner who contacted us recently: undertaking a review would send out a positive message that, yes, Guernsey is open for business and attract investment into many business sectors including but not only tourism.

Thank you, sir.

1270 **The Bailiff:** Deputy Soulsby.

**Deputy Roffey:** Sir, may I be relevé?

**The Bailiff:** Oh, yes, Deputy Roffey, you may be relevé. Thank you.

1275 Deputy Soulsby.

**Deputy Soulsby:** Sir, it seems that consultants today do not come cheap, looking at six figure sums are norm it seems and £700,000 is an awful lot of money and it would pay for a considerable number of hip operations for a start. (**A Member:** Hear, hear.)

1280 But of course horses for courses and where the expertise is valuable we should pay for it, the question is in this case does that cost have value, or more to the point will it be value for money, and I think this has only really just been touched on in this debate.

Let's look at the argument in favour. We need an evidence-based decision; that is why we need experts to tell us what that this. So far so good. As someone who has wittered on in this Assembly 1285 for this term and the last about making evidence-based decisions, now is not the time for me to be arguing against that. It has my total support. I am a scientist by training and making decisions based on evidence is what I believe in.

But I ask myself how will any consultant supply said evidence. The truth is they cannot. All they can provide is their, albeit possible expert opinion, opinion not fact, and opinion is all it can ever 1290 be. We have had reviews before and none of them have provided a slam dunk case for an extension of the runway beyond 1,700 m.

The point here is, as Deputy Langlois made very clear yesterday, no one can provide a definitive answer. No consultant will state categorically what we should do, when and how. Whatever consultant lucky enough to make a few hundred thousand pounds will report with their 1295 view filled with a lot of ifs, buts and maybes. There is no definitive answer. There is probably no right or wrong answer either.

If anyone thinks a review will provide the answer to life, universe and everything they are sadly mistaken. Whatever we decide will be based on opinion not fact, unless we find the consultant with the best, clearest, most reputable crystal ball ever.

1300 For me, this is an important issue as, sir, I know no one wants a great long runway to take jumbos, but what I really do not want to see is a great big white elephant. (**Several Members:** Hear, hear.)

1305 None of the arguments I have heard over the last few weeks or yesterday or today for an extension are new. We are told, 'Build it and they will come,' well why, quite honestly, unless we have something for them to come to? It is easy to blame our transport links for the decline of our tourist industry, but we should all know it is far more complicated than that. PwC themselves in another report said our offering was tired; so what are we doing about that? Why hasn't there been a policy letter from Economic Development to say we should be investing £700,000 in improving our offering not just spending our money on advertising?

1310

**Several Members:** Hear, hear.

**Deputy Tindall:** Point of correction, sir.

1315 **The Bailiff:** Deputy Tindall.

**Deputy Tindall:** It is for the visitor accommodation to improve their offering, and they have.

1320 **Deputy Soulsby:** Sir, the report does not talk about visitor accommodation, it talks about the offering for tourism *per se* full stop. Our attractions are tired, not just the visitor accommodation. (*Interjections*)

1325 Now I could go on about advertising versus promotion but we will leave that for another debate – hopefully in June – other than to say two things: firstly, I wish Chamber and others would see the reality beyond our shores. It is one thing to question the problems of running a business here which I know all too well are very real and I totally agree with them there, but quite another to say how much better it is everywhere else, how the grass is so much greener just a few miles away. They completely and utterly undermine their argument when they do.

1330 Secondly, I was deplored to hear that Economic Development intend to rescind the States' Resolution arising from the amendment I laid with Deputy Prow. I totally support what Deputy Hansmann Rouxel has said, quite frankly. I do not see how we can approve the extension of a runway if we do not know what we as a States want for our tourism industry. (*Interjections*)

1335 We are told bigger planes mean cheaper flights, well really, of course not; a longer runway means planes we do not currently attract may – and I say may – well be interested, but they do not have inherently cheaper planes, they expect subsidies, and just as Deputy Ferbrache said, a longer runway does not a cheaper flight make.

Okay, so any economic business case needs to build that expectation in but even so why do we want bigger planes coming here and people seem to want bigger planes but not less of them, well how does that work when we have got surplus capacity now. Then that leads me back to what we have to offer.

1340 There is a case for a review now, however. The last review undertaken was over 10 years ago now. Since then we have lived through a period of less favourable economic conditions and financial restraint. Also in those last 10 years technology has changed and on the flip side so inevitably will have regulations. It is the fact that it has been so long since the last review that has made me think seriously about whether we should commission work to look at a 1,700 m long runway now. I did seriously – and only made up my mind since listening to the debate today – seriously, honestly, and I think Deputies Tooley and Yerby will agree with me, we were having the debate earlier, that this has been a really difficult decision.

1345



However, sir, based on the years I have been in the States, the number of consultant reports I have read I have not heard anything yesterday or today that has convinced me that spending money on a review would result in a definitive answer or tell us any more than we already know. (Several Members: Hear, hear.)

I came into this debate with an open mind; indeed I was convincing myself that we should just have the review and be done with it, but now I believe that whether it is £700,000, £600,000, £500,000, £400,000 or £300,000, I do not think it will be money well spent by Government. If the business community believes so passionately in it then they should do it. They have got the experts; indeed some of them are likely to be the ones who will bid for the work themselves. If the States has that money going spare then I can think of a number of areas where it would be very welcome in health and care. So I will not support 1(b).

But just to finish with sea links again, there has just been, as an aside, hardly any discussion on this at all, which I think to be honest is quite a good thing because it has been really interesting how little attention, given the risk identified by PwC and highlighted by Deputy Trott ... States have historically been rubbish at risk. It came to a fall last term as a result of the Lagan fraud which ironically arose from the extension of the runway. But back at that time the States was so immature when it came to its understanding of risk, and I think a lot of credit has to go to the work in the last term and this term into really developing our understanding of risk, development of risk registers, those are of far more importance in my mind. So I am really surprised we just have not had that debate here.

I also think though that if this debate were being held four years ago the focus would have been far more on sea links and how rubbish Condor are, and the Liberation should go, we need to get rid of Condor and get in our own sea links; and that has all disappeared. So now we think we do not need to do that, no, we should not spend £400,000 working on contingency; whereas for me we have been going on and on about a runway but the reality is the greatest risk we have is losing our sea links. (Several Members: Hear, hear.)

For that reason I totally support Proposition 2.

Thank you, sir.

**The Bailiff:** Deputy Roffey.

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

I very much agree with the central point that Deputy Soulsby was making that what we are being asked for here is a very expensive act of procrastination.

One can always argue for more information on any issue to ensure, as she says, evidence-based decision making. It is a very good political line. It sounds good, doesn't it – evidence-based decision making. Why wouldn't you want to be fully informed before making any big decision? The trouble is that taken to its extreme it becomes an absolute absurdity. We will be spending tens of millions of pounds looking at the feasibility and the business cases for scores of possible projects, possibly even tunnels for Jersey or new airports at L'Ancrese, but we do not because we use our judgement first and say has there been a *prima facie* case made?

Sir, I listened this morning and hear Deputy Merrett say that she was surprised and disappointed that the report that was commissioned on the back of a P&R amendment which overtook the Roffey/Soulsby amendment back in 2017 had not given her the information to make an informed decision today. I was not in the least surprised. What I would be hugely surprised at is if we go ahead and do another alliteration that that will actually provide the information that anybody needs to decide ... The consultants cannot tell you what is right and what is wrong; political judgement has to come into it at some stage.

I will tell you the thing that surprised me least about this report in the Billet, the consultant's report, was the recommendation that further expensive work needs to be done. I have been in and around the States for the best part of 40 years now and the one constant in just about every consultant's report is: we have not actually found you the answer about whether you should do

1400 something or not, but we do propose that more expensive work should be done and the cynic in me says have they thought there is just a chance that they may be one of the people bidding for that extra work?

At some stage you have to exercise political judgement. You have to say has there been a convincing *prima facie* case made for spending significant sums on further investigation? In this case it seems to me there has been almost no case made at all. Of course a longer runway would provide welcome flexibility, but the cost of providing that flexibility would be enormous and there has been no real evidence that there would be much, indeed any, return on that investment.

1405 Okay, well some would say perhaps this investigation will provide that evidence, I doubt it. I think if that evidence existed we would at least have had it come forward by now in embryonic form, if not in detail, and yet it has not.

1410 Sir, as for the idea that if we go with this it will at least put the issue to bed once and for all, with all due respect, I think it was Deputy Graham who said that; absolutely not, it will not. If it comes back and we decide there is not a convincing case those zealots for a runway extension will maybe go quiet for a few months and then they will be back with a new Assembly saying what we need to unlock this Island is a runway extension. If I really thought it might then it would be an expensive way of reaching that stage, but I do not believe it would anyway.

1415 I have to ask myself, given that Gatwick is out, we have protected it, there may be lots of new routes that would be opened up but how many other routes would demand they would only be viable with a large aircraft of 150 plus seats? It is very hard to imagine, but if there were people coming and saying extend your runway and we will actually fly to Cardiff with a large aircraft we cannot land at the moment, why have they not been saying so on the record now? We keep hearing from Deputy Kuttelwascher; he has had quiet words with all sorts of airlines that would sort of be interested but nothing has really gone on the record that we –

1425 **Deputy Kuttelwascher:** Point of correction, sir.

**The Bailiff:** Deputy Kuttelwascher.

1430 **Deputy Kuttelwascher:** I never said those words ever, especially not in here. *(Laughter)* He has made that up!

**Deputy Roffey:** No, sir, I did a live *Channel Television* interview from the balcony of the Aeroclub with Deputy Kuttelwascher and he said several airlines had contacted him and told him off the record that they would be able to –

1435 **Deputy Kuttelwascher:** As a point of correction again, sir, that is not quite what he said the first time round. I wonder what he would say the third time round. *(Laughter)*

1440 **Deputy Roffey:** I think I said exactly the same thing both times round so I will not bother with a third time, I will move on.

1445 So far as Deputy Soulsby has said, all we have really had is pious hope and a 'build it and they will come' sort of attitude. I agree with Deputy Langlois, the most likely outcome from this review, which I think will go ahead because people will be too scared to turn round to the business community and say, 'We were close minded, we were not even able to look at it.' and it is such an easy out, isn't it, to say, 'We will take it to the next stage, we will spend a few hundred thousand looking at it, we are not going to actually reach a decision.' Let's be honest, this Assembly is not very good at reaching decisions.

1450 So I think it will go through and I think Deputy Langlois is quite right: the best that will come back will be educated guesswork which will leave us politicians to make a judgement call based on our own analysis. I prefer to make that judgement call now and save the taxpayers some money. **(Several Members:** Hear, hear.)

Sir, I listened to the debate carefully yesterday. We had a stunning speech, a really rousing speech from Deputy Ferbrache who said he came into this Assembly not to be negative but to be positive and to move things forward, and then he went on to make a speech which, frankly, Private Frazer would have been proud of: *(Laughter)* 'We are all doomed'. I could have been reading Richard Digard really! *(Laughter)*

I mean Deputy Dorey was quite right to point out the relative GDPs between Guernsey and Jersey, but actually probably what is more relative is the GDP per head of population because what growth they have managed to have has been on the back of unbridled virtually population growth and their GDP per head of population. They may have electric tower cranes going around in St Helier but their GDP per head of population has been going down, and we heard yesterday their government finances there was a £75 million deficit in the current accounts. I wish Jersey the best of luck and I do not believe in these ancient rivalries, but I also do not think we should sometimes do ourselves down and hold them up as a paragon of where we should go. **(Several Members: Hear, hear.)**

Now Deputy Ferbrache also said £10 or £20 a ticket, you would not notice the difference; well maybe you would not if you were getting a last minute ticket that can cost £250 return, but most tickets when I have booked in advance are usually 60-odd quid. Actually £10 or £20 off that would make a huge difference. I am not sure that I support that policy. I am not sure I can turn round to old Mrs Le Page who can never afford to get off the Island and say that her taxes should pay for the upper middle class family next door to have cheaper flights off the Island. I understand the attractiveness of trying to almost put a few volts to our economy and see whether it works, but I struggle with that. But it definitely would make a difference. I do not think there is any doubt about that.

Ticket prices though are a problem. Deputy Brouard gave us a lesson in history about how much cheaper it is now in relative terms to fly to the UK than it was when he was a whippersnapper and he is absolutely right. But that is not the issue, the issue is that prices for flying to England and the other way round have fallen in real terms but they have fallen less than the relative costs of flying to Malaga or a Greek Island or wherever you want to go. So I think we need to look at ticket prices.

Before Flybe pulled out of Gatwick, Aurigny were telling us they were making profits on the Gatwick route and yet I think you would have to set aside all credibility to or credence to really believe that prices on that route have not really gone up quite significantly since Aurigny became the only operator. They have, they are significantly more expensive particularly for anybody wanting to carry baggage with them. They are. I think I am impatient for the efficiency review and the management review of Aurigny because I think when they are virtually in a monopoly position we have to make sure that we are getting the economic stimulus that we really need on that route and I do worry about it.

Other points that Deputy Ferbrache made. He said something along the lines of, and I did not write it down but something like finance is a premier industry, they want premier connectivity at premier times. Well exactly. *(Laughter)* Does he really think they are going to get that with a low cost operator with no aircraft based in Guernsey and using them when they fit in with the rest of their schedule? You know the Isle of Man might be able to tell you something about that.

It may well help tourism – Deputy Inder has gone. It may well help tourism because you might have a couple of midday rotations that actually have slightly cheaper flights; it is not guaranteed but may have cheaper flights.

But as for the premier connectivity at premier times that Deputy Ferbrache was demanding for finance, I am afraid, sir, he convinced me to vote against lengthening the runway. He said the rest of us did not know the difficulties of running a business in Guernsey, and I think to some extent he is right, and in particular for the one that he is involved in, around hospitality, there are huge difficulties; some of that is staffing, some of that is our population control regime, some of that is Brexit, some of that is the pound against the euro, and some of it is the cost the

dwindling tourism offer and the cost of getting to Guernsey. I do not deny that, but if he thinks that lengthening the runway is the *panacea* for that then I think he is wrong.

1505 Deputy Lowe said some of us go on about green issues; well fewer flights with bigger planes would be greener – I think she said less flights but I think she meant fewer flights with bigger planes would be greener. No, no, no! I mean it was one of the things that upset me that when Aurigny had to buy the Embraer to take up the slack on Gatwick is that jets are actually a lot less environmentally friendly than turbo props, particularly on short hops like Guernsey to Gatwick. So  
1510 more flights with smaller planes that are turbo props are going to be a lot more environmentally friendly than fewer flights on larger jets.

As Deputy Hansmann Rouxel said this morning, there are signs that actually very green planes might be in the pipeline. She is quite right. Everybody seems to be obsessed with easyJet in this Chamber; well easyJet are saying that within 11 years their shorter haul flights within 90 minutes  
1515 are going to be done on a fleet of electric aircraft. Now whether they are right or not who knows but they have invested together with Wright Electric, and Wright Electric are not the only ones – you have got Xenon, you have got Voltaire. There is a huge amount of work going on on that, and all the signs are – I am not a technical expert but all the signs are – that these planes will not actually require particularly lengthy runways.

1520 Now Deputy Ferbrache also said that he had been around on a mini bus and looked at the extent of where the next extended runway would have to be and did not feel we were going to lose anything that was particularly special for Guernsey. Well, I do not know whether his minibus lost its way or whether – I accept beauty is in the eye of the beholder but I think Deputy Ferbrache has been using Optrex and removed it, (*Laughter*) because frankly I think there is an absolutely  
1525 beautiful piece of farmland to the east of the runway and the extent we would have to go down I think to basically the border of the Forest Cemetery there, and if he does not think we are going to lose anything special there then I think he has got no soul, frankly. I think it is absolutely beautiful. Now I am not saying that we should never sacrifice beautiful countryside if there is a huge strategic reason for doing so, all I am saying is we would be losing a beautiful piece of  
1530 countryside. (**A Member:** Hear, hear.) Thank you, Deputy.

Now some, sir, in the run up to this debate have posed the question, some of the business community have posed to the debate: why are we so protective of Aurigny? Well I will tell them, sir, through you, if they are listening, because it is an absolutely crucial insurance policy for Guernsey. Far more so than the Jersey situation – their critical mass, not just of their domestic  
1535 population but their tourism industry, means they will probably always attract relatively good connectivity. We are not guaranteed that here.

I think if we extend the runway and easyJet come in and do a few flights to Liverpool and Cardiff it will not take long before they will be telling us, 'Actually stop protecting your airline on Gatwick, we can do it a lot cheaper than they can roll it up and we will take over,' and that might  
1540 be great for the first few years until they decide actually we are not a core part of their network anymore and decide to move somewhere else instead. I think we have to be really careful what we wish for here.

We are not in an optimum position, some of our fares are definitely too high and are acting as a prohibitive barrier to some economic activity and to tourism, but we are in a relatively safe  
1545 position. I think we are looking to sail into waters – yes, of course we do not have to; if easyJet fly to another London airport and to Liverpool to take away from Manchester, we could just ramp up the subsidies on Aurigny to make sure we have always got that insurance policy. But I think the community would think what on earth are we doing. We are much more exposed than Jersey.

Sir, it is not the Chamber of Commerce or IOD who are the elected Government of Guernsey. If  
1550 it were, our policy would be to aim for a very large population increase. We have heard it time and time again that that is what they want. We may even be aiming, depending on one of their rather more wacky leaders who has now stepped down, on that tunnel to Jersey, who knows, who knows. The States of Guernsey, if it was run by the business community, might be naive enough to think that if they laid on regular flights to London City Airport that they would be incredibly well

1555 used. (*Laughter*) Fly it and they will come! Well they did not. Well they did in small numbers but not in anything like the amount we were led to suggest. I do not believe anything about 'build it and they will come' either. (**A Member:** Hear, hear.)

Sir, it is our job to use our judgement on behalf of the people of Guernsey. My judgement is that we are chasing illusionary benefits at great expense just to be able to say that we are doing something about connectivity.

1560 I think Deputy Hansmann Rouxel almost summed it up. She does not believe anything will come of this, does not believe we will ever lengthen our runway but let's spend a few hundred thousand pounds just making sure, and it is great because you can say to the people outside, 'Well, I was not irresponsible, I double checked,' but sometimes you are put here to use your judgement. Let's use it today.

1570 Most people's judgement is that there is a pretty fair chance that we will go ahead with the runway extension. I have been in minorities lots of times, I can live with that, but if we just kick the ball down the road, get another consultant's report in the hope that they will give you the definitive answer and you will not be exposed to the other half of the population that disagree with you, you can point, 'Oh, this is the right answer,' because we are being told then you are fooling yourself. (**A Member:** Hear, hear.) I think a lot of people here are fooling themselves.

I am not always supportive of P&R but on this occasion I am 100% behind them.

**Several Members:** Hear, hear.

1575 **The Bailiff:** Deputy Dudley-Owen, then Deputy Oliver.

**Deputy Dudley-Owen:** Thank you, sir.

1580 The world is a changing place and that is undeniable. That change is fast paced and relentless but one thing that is driving the change is the realisation that we cannot continue making decisions about our future relying solely on the tools of the past. That is in my view what we are being asked to endorse today if we go ahead with regard to the business case for the runway extension, a costly exercise in creating a business case which entrenches us in looking backwards.

1585 I understand why some are calling for the business case to be delivered, it is after all a second phase of the PwC work and this would seemingly take the work to its logical conclusion. However, there are a few points that I wish to make.

Firstly, based on much evidence that I have already seen, I disagree that a runway extension outside the perimeter fence will reap the purported rewards or deliver the return on investment that we require to justify the huge spend and therefore cannot support the business case.

1590 Secondly, substantial work over the years including this latest report has already been done which has given good indications of capital costs and environmental impact versus potential returns from tourism and new business capture.

1595 The PwC report is informative and from my reading of it and the presentation from the authors we had at committee, it is clear to me that they are not endorsing a runway extension, rather saying this is an option but not a quick or cheap fix option and that it may not deliver the return we would be seeking.

1600 Thirdly, the report was primarily focussed around infrastructure and market-based options for improving our airlinks. PwC were not, though, asked to review Aurigny's strategy or their operating model, which was one of the significant market-based strategic mix of options which we are told may bring increased connectivity by changing the basis of investment decisions by airlines.

1605 Well, that leads me on to a subject that we all love and it is often called for the need to sweat our assets, making what we have work better for us, making sure that our State-owned airline is working to its optimum. Now I would definitely support a further review into Aurigny by independent consultants, which PwC suggests, to know where we can give the best direction to optimise their operation via the shareholder objectives that we give the business.

Deputy Ferbrache, I think, asked where we might be prepared to subsidise in order to reduce fares, well maybe up to £700,000 perhaps, if that will really make a difference because he has seen the same reports that I have on committee, and the work done on price point elasticity shows that the price has to be driven down substantially in order to encourage people to make a journey just for the sake of it.

We also know that we have some real jewels in our tourism treasure trove which need support and attention, enhancing our offering, as Deputy Queripel has spoken about already, albeit confirmed that we are doing the tourism action plan and it is currently being worked on, and I hope will be pro-active on these points. **(A Member: Hear, hear.)**

Perhaps controversially we could even look into the commercialisation of our Airport to encourage enterprise and efficiency in its operation – the only publicly run one in Great Britain bar Cardiff, I believe. What benefits could be reaped from the commercialisation of that, I wonder? Well, maybe we should ask Jersey, that is how they are running theirs these days.

Lastly, and here my thoughts are completely aligned with those of Deputy Hansmann Rouxel and I am sure one or two others in the Assembly as well, climate change casts a shadow over all of us no matter where we are in the world. It is no joke. It is not a transitory issue which will go away. We need to take it far more seriously than we have to date. I do not think I am too far off the mark when I say that very few States' policies are measured against their carbon neutral credentials, with the exceptions I hope of those from E&I.

My experience is that consideration of the environmental consequences of policies is not structured into our decision making. I feel critical of this in hindsight and think we should change this and there is no time better than to start at the present.

We are alive to changing in our approach to decision making at governmental level in the way we do business, the way we travel, the way we approach leisure, the way we view ourselves – a smarter approach in face of the threats from climate change and the consequences of irreversible environmental damage. Guernsey is changing, the world is changing, and the increasing awareness of the catastrophic impacts that modern day human activity has had on the environment. For us to be trying to make the case to continue down a path which essentially is an investment in the trend of unsustainable growth is illogical.

With many governments around the world, especially those in neighbouring Europe, favouring a robust march towards a net zero carbon position by 2050, I struggle to understand how a conversation to try and progress the extension of our runway fits into these types of aims. Shouldn't we actually be sharing these aims? We have the energy policy due to be presented to this Assembly in a few months, I hope. Will that, I wonder, be fully endorsing the introduction of the higher carbon emitting aircraft that are mentioned in the reports such as the A319 and the Boeings 727 into Guernsey and our local atmosphere? I do not think so.

An interesting study carried out last year by the European Business Aviation Association concluded that the millennial generation believe that climate change will have the biggest impact on the future of sustainable air transport. This will drive realistic and innovative change in the market place, and Deputy Hansmann Rouxel this morning has really given us a very good idea of what that could lead to in the future.

But our conversation today has not really, or yesterday, been reflective of this at all. The issue of climate change should be complemented by our desire to reduce carbon emissions but the policies we are looking to make instead create a tension between the two. I fear this tension will hold us back from making sound judgements about our transport infrastructure and connectivity needs which the younger generations will not thank us for.

The comments from Alderney Representative Roberts yesterday were, for me, a demonstration that the threat that carbon emissions pose are not always taken seriously, suggesting that Deputy Brouard might like a trip to London to join the climate change protesters on the Bridge. Well, at least they are drawing attention to the issue, whether or not you like the way they are doing it. It is time that we all started not just to sit up and listen but also take action by changing the way we do things.

As is often the way, this particular question is coming to the States at the wrong time. The consideration to the energy policy and to the tourism action plan coming down the line, we are just not doing this in the right order. (**A Member:** Hear, hear.) Any business case should be influenced by both of these two important policy development areas.

Now I will read in précis from the PwC report because I think it is helpful. Deputy Le Tocq reminded us that this debate is not about whether or not we should lengthen our runway, it is about whether we should focus our efforts in looking at this as a key option to enhance our air links. I am sure that many of my colleagues in this room have read this, but I will also read it for the benefit of listeners and for the record.

The authors begin by reminding us of the objective that the States of Guernsey have set for air transport:

Maintain and expand its air links so that Guernsey is well connected with the UK, other Channel Islands and Europe; ensure that these air links are reliable, sustainable, and affordable to all parts of the Island's population and the visitor market; ensure that air links enable existing business to function appropriately and support the expansion of all types of economic activity. So those are our aims, that is what we want to achieve.

PwC then go on to say:

Determining the most cost effective way to achieve these goals is complex, not least because it requires the consideration of a number of interrelated factors including the Airport and its infrastructure; route licencing; role and objectives of Aurigny; interplay between other modes of transport in particular sea links; underlying demand for travel including the different requirements and expectations of residents, tourists and business travellers.

So they have identified a number of factors which need to be considered in reaching those aims. I have already said that some of those factors have never been or have been insufficiently considered. If we go ahead with just a business case for the runway, which we know has been considered in quite some detail since 2008, I think we will fail to have considered all factors properly and will fail to get it even close to reaching our aspirational objectives.

The PwC report also identified the trilemma of connectivity, reliability and affordability which we also raised in November in our policy letter. This is absolutely a key point for us to understand and should shape our decision making.

The report states that there has to be a trade-off between these. This is not the first time that I have heard this stated; I have heard it actually many times from various aviation experts, and actually calls into question the realism of some of our stated strategic aims for air links.

It is an accepted fact that as a sub-optimal marketplace we cannot have it all and the trade-off that I personally am prepared to make in exchange for reliability and frequency is affordability, because this means different things to different people and having been brought up travelling around the world due to my dad's job as a pilot – he in fact flew for one of the earliest aviation disrupters and budget airline pioneers, Freddie Laker – I am really very aware of the real costs of travel; it is not cheap, and it never has been and it never will be, and I think Deputy Brouard really well illustrated that yesterday.

The margins are thin and there is no denying that aviation business costs are high but many, maybe a few too many in Guernsey at the moment, are seduced by the concept of low cost carriers and the trade-offs there are well known and helpfully listed in the report. They include adapting capacity to seasonal demand; dynamic pricing, which we know is not always the case; and shutting down routes at short notice. (**A Member:** Hear, hear.)

I have been consistent in my approach to the opposition of the extension of the Airport runway length outside of the perimeter fence. I do not think that the concept stands up to scrutiny, and the last three years that I have spent up close to this matter as a Member of the Committee for Economic Development has actually further added to this view.

A really important and key statement that supports previous research that is contained within the report is this:

... whilst the provision of a longer runway will provide sufficient infrastructure for expanded airline operations, there is no guarantee that airlines will provide any additional capacity without [significant] financial and commercial support. Airline fleets are finite, and airports and communities compete for routes. Airlines select routes based on perceived profitability and commercial risk considerations ...

1700 Now, yes, I know that that has been said before today and yesterday by Deputy Ferbrache, and it is this lack of guarantees on the return that concerns me greatly because as far as I can see it, the only guarantees that the business case will give us are that there will be an enormous capital cost and huge environmental impact.

1705 PwC analysed market-based options for enhancing Guernsey's air links connectivity and identified a smarter approach, as Deputy Tindall said in her speech, to using what we have and using it better. Some of these options you are aware of – Deputy Parkinson went through them: using the funding from the Future Guernsey Economic Fund to secure the pilot link to Heathrow; application by Guernsey Airport route discount policy for new routes, and the adoption by all of us of the *quasi* open skies from last year. So all of these positive policy decisions which I have  
1710 been involved with and have strongly supported have added to the number of scheduled flights and good level of connectivity that we have into and out of this Island.

PwC were engaged in order to assist the States of Guernsey in its discussions and decision making. It says it in black and white in the report, and I actually think they have done a pretty good job in considering previous research and drawing it together exploring the options.

1715 In my view there is sufficient detail given to inform any judgement as to whether or not a runway extension outside the perimeter fence is feasible. For me, it comes down to a point of whether or not it is desirable, because it is a fact if you are prepared to throw enough money at a project you will make a business case for it. After all a business case is merely justification for a project on the basis of its expected commercial benefit or in terms of the States the return on the  
1720 investment, and that is where the catch is. We can define a return on investment in so many ways that there is complete flexibility for any case to be made whether or not it is logical.

So whether this is a desirable endeavour is very much where I sit with this matter. We are getting stuck in the pre-war era of filling in valleys, because that is what actually happened, they filled in a valley laying tarmac in very much the wrong place; we are trying to fit a round peg into  
1725 a square hole continuously. Eighty years have passed and we are still looking back to this formula to provide solutions to our connectivity issues rather than looking forward and wondering what we can do to lay the foundations for change that would take us into the new world of future generations.

Given the change that we are undergoing at the moment, can I really be sure that delivering a contentious infrastructure project of this type which is really based on ageing and polluting  
1730 technology – the emissions from the aircraft which we will be building for after all are excessive compared to the smaller type that we currently support – is this really the correct legacy to leave our Island with? It is not.

Having spoken to those who think that the extension is the *panacea* to all air connectivity issues that we have, it is clear that they think the extension ex-perimeter will fix the problem of fog, long queues at airport security, hand baggage allowances, customer service and affordability. Well, none of these are directly the case, though there I do concede that maybe some of these factors are affected by larger aircraft servicing Guernsey who would be facilitated of course by the longer runway.

1740 A business case, as Deputy Soulsby has said, can only look at the current situation to be the factual position and anything forward of that is assumption, presumption and perhaps some guesswork at best.

So to conclude, having read the policy letter, having read the report, having had the privilege of talking in depth with the authors, having spoken to many aviation experts, economists and  
1745 industry specialists, having been up close to this matter for three years and interested since the Airport rebuild back in 2002, I have heard many reasons why not to extend our runway to the length that it takes outside of the current perimeter, but have yet to hear the compelling



evidence, the *prima facie* reason, from others what problem they think an extension to that extent would fix.

1750 So I will not be supporting Proposition – oh gosh, there we go, this is where the confusion comes in – 1(b). I will support 1(a). However, I would like to reassure colleagues, especially Deputy Hansmann Rouxel, that if the Proposition does succeed and a business case is commissioned today by the States or by ... well it will not be tomorrow because that is Saturday, I hope we are still not sitting then, that I will be working hard as a Member of Economic Development to ensure  
1755 that a more rounded view of the changing face of the aviation world will be taken into consideration and that the work undertaken is done in a far more collaborative way between the relevant committees including Environment & Infrastructure.

Before I close, a few words about Proposition 2. Yes, of course sea links are a key part of our connectivity and therefore extremely important for Guernsey, but Deputy Parkinson yesterday put  
1760 forward very strong and correct arguments against the work that P&R are proposing to do to look at contingency options for sea links specifically to examine the cost and feasibility of establishing a stand-alone ferry service. It is important to remind ourselves what that Proposition is about.

The Committee for Economic Development, where the mandate sits, are continuing to work to ensure that our sea links are secure using private service. So to spend the best part of half a  
1765 million pounds, quite a lot more hip operations, on an investigation into buying a boat just in case is not an idea that I can support at this time.

Thank you, sir.

**The Bailiff:** Deputy Oliver.

1770

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

I feel like this is just Ground Hog Day to be honest. On 27th June 2017 I think we all had this same debate. I feel like I could actually just read out my speech and all the same issues would remain the same two years on.

1775 I do agree that a decision needs to be made on this and I do feel it needs to be evidence based, but I do not really want to spend £700,000 on yet another report. (**A Member:** hear, hear.) I feel that the report that we had or have now, the PwC, is fairly meaningless. This is exactly what I did not want. I feel that this is a waste of taxpayers' money. (**A Member:** Hear, hear.) P&R were responsible for the terms of engagement and I feel that we have been let down.

1780 Taking Deputy Trott's speech from *Hansard*, he said: 'Let's get on with it, let's fund it appropriately, let's get the work done so we can make the necessary evidence-based decision.' This is not what this report is. All this report says is we need another report to make the evidence-based decision. He then said: 'It will be scoped, it will be defined, it will be properly procured and it will have multi-committee deciding terms of reference.'

1785 He went on to say: 'We have the majority of work done and it will be finished by this Christmas.' I did ask the question some nine months later how the report was getting on and then I got told it had not started. It was very disappointing.

In my manifesto I said I wanted to improve transport links. I think Economic Development Committee have sourced more destinations and this is a good thing for the Island. However, this  
1790 is not about what we need tomorrow, it is about what we need for the next 20 to 30 years. (**Several Members:** Hear, hear.)

However, as we have heard from many Deputies, we just seem to be on this merry-go-round going around and around in an ever increasing circle. If we do not actually get this evidence, as Deputy Graham says, it will continue to be a 'should we/shouldn't we?'

1795 So therefore in my conclusion, please do vote for 1(b). Let's at least look at the evidence, give the community the confidence that the States are serious and are open for business. After all, most of it is all about perception.

I am unsure how I would vote when the final report comes but equally I do not know the evidence to make a decision now.

1800 So as Deputy Trott said, let's just get on with it. Let's get the work done so we can get the necessary evidence-based decision and make a decision once and for all. I know this report is not going to be the *panacea* and it will come out with various options but at least let's get the options and then just make a decision one way or another.

1805 I do have one further question and it is more directed to Economic Development Committee: when do you think this report can actually come back to the States after it has been commissioned? If somebody could answer that that would be fantastic.

Thank you.

1810 **The Bailiff:** Well, Deputy Oliver, unfortunately, has sat down otherwise – She had not sat down, she was just resting for a ...! (*Laughter*) I think she is giving way to you.

**Deputy Oliver:** I give way. (*Laughter*)

1815 **Deputy Parkinson:** I rise to respond to Deputy Oliver's question. I honestly believe that this report can be completed in the course of this year and that we can bring back to the States by the end of this year a sensible study which sets out the options and the States can make a reasoned decision.

1820 **Several Members:** Hear, hear.

**The Bailiff:** Deputy Oliver:

1825 **Deputy Oliver:** Thank you.  
I give way.

**Deputy Trott:** Thank you, I am grateful for that because I hold Deputy Oliver in the highest regard, as she knows, but I think I heard her say on the one hand she does not want to spend another £700,000 on another report that does not tick the box and then I think she said she asked the Assembly to vote to spend another £700,000 on another report.

1830 Is that what she said or did I mishear her?

**Deputy Oliver:** Yes, because P&R did not actually do the job they were meant to do in the first place. (*Laughter and applause*)

1835 **Deputy Trott:** That is a very good answer, sir – one that I would have been proud of myself. However, Members will remember that I had stood earlier. (*Interjections*) You do not give way. Fine. Righto, I will deal with it later.

1840 **The Bailiff:** You will get a chance later.  
Deputy Brehaut.

1845 **Deputy Brehaut:** Thank you very much, I will be brief and I will try and avoid repetition. I did post a tweet earlier that said, national airlines have as much commitment to Guernsey as a travelling circus and I would rather not send in the clowns. Here I am lost on the ground, you in mid-air and my baggage in Wigan.

Guernsey has given its commitment to airlines before and that commitment has not been reciprocated, whether it has been KLM, whether it has been Air UK, whether it has been British Airways, there are not the ties and there are not the loyalties that you get with a States-owned airline, and we should never forget why we acquired Aurigny in the first place.

1850 Deputy Dorey made a really interesting point on numbers and the numbers being static from the UK, and it is fascinating actually that those numbers are static when you look. Set aside the

crash, there has been a double dip recession. This word has been introduced into the lexicon of 'staycation'. People are encouraged to stay at home, people in the UK are being actively encouraged not to travel; camping, glamping, caravan ownership is up, Centre Parcs are being invested in, and Butlins have a revival. We know that people are not jumping on aircraft in the way that they used to, so actually it is quite surprising that the numbers have held up to the extent that they have.

I fail to understand why we would put everything we value as a community at risk to what is essentially a sort of national, multinational company, that will obviously do all they can in business terms during the peak periods to service the community in their interests with a subsidy. Then what does that service look like on a wet Wednesday in November? How does it feel? They will not hang around. They will not be involved in the business that does not give them the numbers and they will be looking to the taxpayer, to P&R, to give them a bit more to keep them here.

Also, although Deputy Le Clerc's point that I think Deputy Charles Parkinson said let's not get down in the weeds ... but the point is their behaviour is very different to our local carrier. A brief anecdote. I drove in a hire car some three or four years ago to fly out of Inverness, I checked in, my name was called out to tell me, 'Thanks for booking with easyJet but you will not be travelling today,' and because I was a single person occupying one seat a bigger party than me could have been taking another 10 or 12 seats so I was bumped off the flight with a letter saying thank you for booking with easyJet you are entitled to claim €250. But I was stuck. That is how bigger airlines behave.

There are serious considerations regarding investment in the baggage reclaim, in the departure lounge and getting everyone off Guernsey on one flight and not having that frequency. One you can never trump frequency and we have to remember why we wanted that frequency in the first place.

Deputy Lowe, sir, I do not want to digress too much on this ... E&I have just closed a road; closing a road is not a big thing – in fact we have not closed a road, it is still open to cyclists, residents, walkers, joggers, whatever, who want to use the road; it is just closed to traffic. *(Laughter)* Now, you guys embraced the transport hierarchy; if you do not recognise a bike is a form of transport that is a problem you are going to have to wrestle with I am afraid.

Now the point here is, and Deputy Roffey touched on this, I do not know why we have this: yet again the decisions we make in this Assembly seem to have no regard for the feel for the community who put us here in the first place. You try filling in a valley, you try closing a road, you try demolishing houses, albeit with Island-wide voting, you try as a member of that community living in that area, telling those people that you are fully supportive of a runway extension or investigation, and there are going to be some very creative manifestos out there. Yes, I did support the £700,000 but I can tell you that is not to say for one moment that I will be supporting that type of thing.

Now some time ago we were encouraged by a group of people at that time that hour of the day – they called themselves, I think, Charter 18 – and our colleagues said to us and they were asking us of course to join them and sign up to their principles and one of their principles being, 'We have faith in Guernsey talent and want better use of the Island's expertise, we reject the default position to employ UK experts, every pound spent in the Island benefits residents, every pound spent in another country benefits that country.' Yet yesterday people did sign up, supported an amendment that was looking for about £700,000.

I cannot support yet another cul-de-sac with an amendment.

**Deputy Meerveld:** Point of correction, sir.

**Deputy Brehaut:** Sir, I will – point of correction, yes.

**The Bailiff:** Deputy Meerveld.

1905 **Deputy Meerveld:** Deputy Brehaut seems to imply that PwC is not a company that operates and does business in Guernsey and if that money is spent in Guernsey a lot of it would remain here.

1910 **Deputy Brehaut:** There is generally a view that Guernsey should not engage with consultants and generally those consultants have their head offices, not all of them, in other places. I think it is a generic observation on the use of consultants which got the Charter's and other people quite so animated.

1915 Let's be honest with ourselves, imagine yourself back in this Assembly at another point with this report tabled in front of you, what are you going to do? I just think people need today to vote with their hearts as well as their heads to say that we understand what the business community want. By the way, I thought Deputy Soulsby's speech was excellent, because I went to an IOD conference – that is unusual, I went and I cannot remember, it may have been Alistair Stewart, maybe someone else presenting, said to the business community, 'How do you feel about the loss of the London City?' People moaned and groaned and said how terrible it was. He said, 'Put your hands up those of you that used it.' Not many people put their hands up. Yet the business community would still have us putting money hand over fist into that service.

1920 So there is the community, there is the business community, it is one and the same thing. We expect the public to pay their taxes. Let's ask, if necessary, the business community at times to contribute over and above what they do.

1925 So, sir, I am afraid, I would rather call it a day here and it is a shame ... incidentally, I am guilty of it, I have not spoken very much about the ferry services. If the Liberation was being as dicky as it was the first few months of its operation and this debate was taking place we would be having a different conversation, that is how fickle we can be.

But I would ask Members to put this to bed, draw a line under it and not raise community and business expectations in perpetually revisiting this subject.

1930 Thank you.

**The Bailiff:** We will rise and resume at 2.30 p.m.

*The Assembly adjourned at 12.30 p.m.  
and resumed it sitting at 2.30 p.m.*

## **POLICY & RESOURCES COMMITTEE**

### **IV. Review of Strategic Air and Sea Links Infrastructure – Debate continued – Proposition 2 carried**

1935 **The Bailiff:** We continue with the debate on the Review of Strategic Air and Sea Links Infrastructure.  
Deputy Green.

**Deputy Green:** Sir, thank you very much.

1940 Firstly, in relation to Proposition 2 – the much under-appreciated Proposition 2 – I am disappointed that I have not had any opportunity to read the PwC Sea Links Report as it has not been made public. We have a situation here where some Members of the States have received the Sea Links Review but most probably have not.

Now I can understand the point about commercially sensitive information, absolutely. But honestly it should have been shared with States' Members, in my view, at least to some extent, as

1945 a matter of principle, and it could have been published in redacted form, to some extent, if there had been the will to really do that. So I am disappointed that we are in this position. Let us not forget that the air links review itself was only released publicly after a request from a political association made many months after the report was actually completed.

1950 **Deputy St Pier:** Sir, point of correction.

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** It was always made clear that it would be released as part of the policy letter.

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**Deputy Green:** Yes, I do not dispute that. The point is it was many months after it was completed, September of that year. And it was many months when it did not actually see the light of day. My point is it should have been released automatically upon being published; as soon as it was completed it should have been published.

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I concede the point that the contingency options, particularly two and four, do need to be looked at in greater depth, but I am not sure that we need to endorse Proposition 2 for that to be done in any event. These are matters that do sit rightly in the mandate of the Committee *for* Economic Development and, as Deputy Merrett said this morning, we do not need to endorse Proposition 2 when P&R already have the delegated authority to do what is necessary.

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So I do not believe the case has been sufficiently made for Proposition 2 so far. Of course, perhaps when Deputy Trott or one of his colleagues sums up later on in the debate, they can perhaps add a bit more flesh on the bone in terms of why Proposition 2 is so necessary, given the point about delegated authority and given the point about the mandate of the Committee *for* Economic Development.

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In relation to Proposition 1(b), my views accord largely with the likes of Deputies Graham, Leadbeater, Oliver, Parkinson and Tindall. I am not necessarily predisposed to a 1,700 m runway but I would rather look in detail at the evidence. I would rather move forward in an informed and evidence-based way in terms of all of the potential costs, benefits and risks all along the runway, rather than simply prejudging the outcome of any such analysis.

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The question is would the undoubtedly substantial capital investment be justified? I do not know the answer to that today so why would we not commission the work to help us make a somewhat less imperfect decision later? So I will be voting for 1(b) but at this time I am minded to vote against Proposition 2 and I will certainly vote against Proposition 1(a).

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**The Bailiff:** Anyone else? Deputy Gollop.

**Deputy Gollop:** Yes, thank you, sir.

I hope to address both the air and the sea questions and I do not want to be particularly all at sea on the speech. To start, certain senior Members this morning referred to the Isle of Man, which interested me and intrigued me. Twice I have had the pleasure of representing the States on Commonwealth Parliamentary trips out to the northern island and it is a fascinating place. It has a very distinct brand.

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But I think I would like to make two points about the Isle of Man. The first point is Deputy de Lisle, yesterday, was saying we perhaps would be unwise to even consider pursuing a sea-based strategy, going it alone, without co-operation from our Jersey friends, competitors and allies. I would argue, yes, as Deputy Tindall says, Jersey is a significant part of the market, maybe two thirds or more of the passenger market and of the freight market, but that does not mean to say that Guernsey should not consider the alternative of going it alone in a contingency or as a scenario for sea.

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I entirely endorse the views Deputy Trott has raised, both that we should be looking at that as a possibility and that sea travel is one way, not the only way, of increasing our connectivity,

especially for mass-market tourism. The thing is that the Isle of Man has its own Steam Packet Company and I think one should remember that the Isle of Man is equidistant between England, Scotland, Northern Ireland, Ireland and Wales and is just out there by itself. Sodor and Man, the Bishopric which Reverend Awdry wrote about in his railway engine fantasies; the island of Sodor does not really exist, it is just the Isle of Man there.

They therefore have to maintain and encourage sea travel in the context of being alone. There is not another Channel Island next to them that can share overheads and so on. When you consider that they are doing that, we should have the courage to envisage the same. Sometimes perhaps we have been in a situation where Jersey interests have dominated the sea market and we should therefore be prepared to maximise the benefit to Guernsey as well as, ideally, to Channel Islands as a whole.

I mention the Isle of Man for another, more relevant reason perhaps. That is to do with the airport, use of, because one or two Members earlier today were suggesting that the Isle of Man was rather a quiet, regional airport in comparison to what we enjoy in the Channel Islands. Actually look across to Jersey and they are enjoying 1.6 million passengers a year and they have seen a 3.9%-4% increase over last year in the use of their airport. The Isle of Man have done one better than that. They are admittedly only on 847,000 passengers a year, which is about half that of Jersey, but they have seen nearly a 5% increase and in fact their best ever year in air travel was 2006-07 with just over 800,000 passengers; 2017 they went higher than that and in 2018 they scored an all-time high of nearly 850,000 passengers.

Guernsey, in contrast, went down to 837,000 air passengers, whereas back in 2013 there were 880,000 passengers and when we built the all-singing, all-dancing new Airport it was close to a million. We have continued to drop; Jersey are increasing, the Isle of Man are increasing. For the record, we went down nearly 1% last year.

So actually the total number of passengers using the Isle of Man Airport appears, on available statistics, to be 10,000 more than using Guernsey. Admittedly they have a larger population so, per capita, we are doing relatively better. But of course many of our air passengers, relatively speaking, are flying to Alderney and to Jersey, which of course the Isle of Man does not have the benefit of nearby islands with airports.

So in real terms we are struggling. My argument, therefore, to support both reports – as I said earlier, I want it all – is that we need the maximum amount of evidence and analysis and consideration of improving and sustaining our possibilities for transport. We need very much to take on board the viewpoint of the people who probably pay much of our taxation bills, the business sector, and we need that income and that money to move forward.

Certain Members earlier said – Deputy Soulsby eloquently put it and others have too – that if you have money to spare why do we not spend it on extra hip operations? Well I would say, yes, amen to that, and we have not had a proper discussion on the overall level of taxation. But of course the point about health and social care is that it is expenditure which is often predominantly directed at the older section of our community and we very much need to build a future for everybody in the uprising, upcoming generations and I think if we are closing the door on the runway extension at this point – at least temporarily closing it because I am sure it will come back – as Deputy Graham and others have mentioned, we are behaving in a rather unwise and incautious fashion.

One has to consider that we have heard some great speeches this morning. I agree that climate change cannot be ignored but the arguments that we should therefore disadvantage ourselves with perhaps antiquated aircraft, when everyone else is doing otherwise, is not in itself overwhelming. I agree with the points Deputy Merrett made that it is unrealistic to work on the assumption that this issue will necessarily be completed by this particular Assembly.

Therefore the arguments that we do or do not want it should be taking into consideration that it will be an issue that the next Assembly will need to take a position on. Therefore it is wiser to do the work now than leave it suspended in mid-air for a year. At least we can move forward on a greater rational basis.

What we have not seen, really, are all of the arguments for the different lengths of runways and I think we can also make an assumption that some of this evidence will never be anything more than subjective, but some of it is objective. I was pointing out just now, for example, the situation in relation to the Isle of Man. The belief that the Isle of Man has a less busy airport than Guernsey is not necessarily backed up by the evidence. I think there are lots of assumptions out there of that nature.

We have been told by Economic Development that we have to balance connectivity, frequency, reliability and so on, but there are different levels for different markets. Certain markets, the scheduling is particularly important. The early morning red eye flight, the returning flight in the afternoon. Other markets, price is of greater importance.

I have been around this Assembly long enough to see lots of things that do not happen. I can give some examples. Twenty years ago there was an idea from Visit Guernsey's predecessor to have a game-changing Victor Hugo museum on the Island. All we have seen, of course, is the city of Paris and a generous philanthropist renovate the existing classic house. What we did not see was that project.

We had an idea for a renewed tramway and an industrial museum. Guess what happened? That did not go anywhere either. We had an idea for an Asterisk museum because we have one of the most interesting Roman wrecks and might draw in a niche market of tourists. Nothing happened there. We have had 20 years of talking about things and not investing in them.

In 1999 I was involved in a debate to extend the runway and we are there again. Deputy Brouard said he hoped this debate was not just for the benefit of one Member, Deputy Fallaize. I would say I do not want to sit on the fence, or in the middle of the runway, in this one because I could get run over.

Obviously whilst I am at Planning I have to be cautious about giving undertakings about what might or might not constitute the need for a planning inquiry, environmental impact assessment. But let us look at the bigger picture. The bigger picture is that I went through a phase in my early years in the States when I was very keen to see the runway extended. I was very much in that camp.

Then, mid-term, in the perhaps later Blair era, when David Cameron became leader of the Conservative Party, I re-thought that because Mr Cameron was very much an enthusiastic green conservative, who was arguing against unnecessary depletion of our environment. I have to say that Heathrow Airport, by the way, which had 60 million passengers in 1997 now has 80 million passengers and we have seen generally a global increase in air travel, but Guernsey has not seen that.

I thought maybe the air companies are acting in an unsustainable way by offering, whether Deputy Brouard was right or not about the tradesmen's average fee, they were offering lower and lower fares without taking in the bigger picture of climate change and environmental cost and real costs. They were offering really cheap fares in order, perhaps, to gain brand awareness, sell products on board, duty free, whatever.

I think we have seen more realism in the last few years. We have seen certain air companies struggle and we are returning to a more measured approach to air costs, but the reality of the situation is that most business destinations and most tourist destinations have a range of fares to and from their centres which are lower than Guernsey offers, especially in the example Deputy Merrett gave of people with suitcases or people who have to travel suddenly for business, professional, or funeral or marriage or whatever reasons.

There is a call from the community that we are not handling our own affairs. Actually Deputy Parkinson and his Committee have presided over a good period, recently, whereby with the exception of the loss of the Dinard service, there has been a growth of connectivity to Liverpool, Glasgow, Edinburgh, and diversity and we have seen our state-owned airline, unusually, go back into the Jersey market and the Southampton market when we thought that was dead and buried. I welcome that, even though I am on the Transport Licensing Authority, which has less of a job to do these days.

But I have to ask the question, and I may be asking the questions in a more formal way in future Assemblies, what cost that is happening at? Aurigny, I have to say, I think they are offering some very competitive fare deals, at the moment, to Jersey and Southampton, but Deputy Trott, amongst other Members, has questioned in the past whether air competition has delivered long-term sustainability and growth and I am wondering at what cost that might be to Aurigny or the States on a longer-term basis.

We cannot entirely discount that because we have to be building, as Deputy Soulsby said, our market, and our attractions and our desire for transport at the same time as improving the connectivity. It is holistic.

That brings me, of course, to talking about the sea links as well. Because I too think that in a way the more important of the two debates today is the sustainability of the sea link, because the sea link is not only the port of entry for mass travel for tourism but it is now our only entry and exit to the French mainland, short of private planes or air taxis to and from St Malo, and it connects to Poole and Portsmouth. It is extremely useful to motorists and people take their student children and whatever around with luggage.

Also sea travel, I have been told, is particularly important for high net worth individuals who might wish to locate or stay on Guernsey because they want an appropriate service of the right calibre and quality that matches their needs and their cars and other functions. So it does have an importance that we sometimes underestimate.

But leaving aside the passenger side of it, we would not exist as an Island without a robust, permanent and an affordable sea link for freight. The freight for our food, for our building supplies and many other goods, our energy supplies, has to be there and we really do need to follow Deputy Trott's example and prioritise sea links as being something we give serious consideration to. **(Several Members: Hear, hear.)**

Without making any commitment today, I think the money spent on that report is very necessary and very useful. But I also believe that many members of the public, even perhaps opponents of the runway extension, will be very disappointed today if they hear that the States has turned down an opportunity for a measured, full public debate on the diverse merits of the airport runway extensions.

Indeed there is a lack of clarity in this report about Policy & Resources' position on the compromise option involving the RESAs. That is still unknown. I think we need all of the arguments on the table and more evidence, the kind of evidence some Members have already submitted – Deputy Parkinson has contributed quite a lot in the last few days – on, for example, the size of planes and the amount of subsidy they need to fly, for the sake of argument, to and from Jersey.

We actually need to know what financial incentives airplanes need. It is incredible that some Members are actually going to say, 'I am going to vote against the runway extension because all the low-cost airlines want is extra money.' We have been providing money to Aurigny, directly and indirectly, we have been providing money to another airline who is now providing a useful Heathrow link.

Yet we are saying we will not even look at a runway extension, which could revolutionise personal transport, maybe be a way of creating a more mobile society, and maybe bringing more potential students or businesspeople or tourists to the Island, just because we are speculating on things we do not really know the answer to. We must do further work and we must start a conversation with every Islander, along with business organisations too.

I have to say I nearly got up today and wanted to say, in a spirit of mischief, I would like to do a *sursis* to have a referendum on the Airport runway issue. Because I think there is a feeling that we have not been taking this subject as seriously as we might. There have been a lot of debating points, really, over the last 24 hours, more than a willingness perhaps to open our minds to the bigger picture. I am perhaps in the minority today but I will support funding for both the air links and the sea links as the most appropriate way forward.



**The Bailiff:** Deputy Kuttelwascher.

2155 **Deputy Kuttelwascher:** Thank you, sir.

I am going to kick off discussing something, which people might expect me to discuss, and that is sea links. The reason I know something about it is on the Committee *for* Economic Development, when I was there, I was the lead on air links and sea links. My other claim to fame was 16 years ago I managed to sail the Atlantic in a catamaran. So I know a bit about sailing across oceans but that is about it.

2160 What interests me about sea links is that I have seen the reports and I knew what was going on in the first couple of years and, as regards Proposition 2, I am a bit concerned about what it is that wants to be looked at, because if you go it alone there is going to be a two or three-year delay in actually delivering something because, like the Airport, the Harbour is somewhat constricted in the size of vessels it can accommodate.

2165 A couple of years ago there was a move to try and get a clipper-type vessel to add to the Condor fleet and all sorts of things were being considered about the States buying it, chartering it to Condor. But it got sold elsewhere. So as far as I know such a vessel does not exist.

What it is not so difficult to do is to provide, at short notice, a freight service in an emergency. 2170 We use the Arrow when Goodwill is not working and there are other ships around. It is interesting – I had better call it a ship, it might be a boat because it is not that big but it is big enough – plying its trade between Portsmouth and Jersey called the Shetland Trader, but that is not a ro-ro ferry, it is a lo-lo and it is being used by a Jersey based company, which is also here, to move freight and that is having an impact on Condor's freight revenue.

2175 I know other things about what they are up to there but I am going to leave that to one side. The only thing I agree with in Deputy Trott's initial speech was that that is the more critical thing, the issue of ferry services, because if I was to say, 'If Condor stopped tomorrow where would we be?' we could deal with the freight side of it, I think, but as far as the passenger and car side, that might just vanish for a while until something could be found to provide that service.

2180 I also know that if I went it alone, and I have done some research, it would be a very expensive operation. My view is that of Economic Development, as it is at the moment, and as Deputy Parkinson has stated, that we really at this stage still should be talking to that much-beloved Condor. I know some people do not like the idea of that, but unless we can come to some sort of agreement with Jersey, whatever go-alone service might be proposed it is going to cost an awful lot of money? Is that wise? I do not think so.

2185 Going on to air links – interesting. The first thing I want to mention is this apparent emphasis on market-based options. Well that is the only option we have got at the moment, as simple as that, and it is very expensive. There is much said about the cost of possibly extending to a 1,700 m runway, tens of millions. Quite right. But my view is that any new runway infrastructure, I am talking about possibly having a life of 50 years.

2190 Two reasons: one, modern materials, especially the ones that were used in the refurbishment of our current runway, parking areas, aprons, have a long life. Guernsey is not a busy airport like Heathrow or Gatwick, where they have got a take-off and landing, 400-tonne airplanes, every 40 seconds. That wears it out. We do not have that problem with wear and tear due to activity.

2195 So if you look at a 50-year timescale for this infrastructure, I am going to say, as a ballpark figure, supposing a 1,700 m runway, with all the other associated infrastructure that might be necessary to satisfy Deputy Le Clerc to deal with the baggage, the check-in and all the rest, let us say a figure of £50 million and I can justify close to that later on. Over 50 years, if you amortise it simply on a cash basis, that is a million quid a year, amortised over 50 years.

2200 That, in terms of our overall income and expenditure, is almost a pittance. We are spending nearly that for a seven-month subsidy on a route to Heathrow. So when you look at market-based options, they can be extraordinarily expensive over that timescale. I am going to mention something that was put in the public domain by a member of staff, looking at market-based options.

2205 They said if – and this was what was published – a £10 discount was offered on all air tickets of all airlines, because you would have to do that otherwise you would have a problem with competition and regulatory authorities, not necessarily here but in the UK and elsewhere, 800,000 passengers, that is £8 million a year. Ten years is £80 million; 50 years, £400 million. That is nearly half a billion pounds. That is incredible. A £10 subsidy,

2210 I would suggest it would make very little difference. Why? You would need something like trying to reduce the prices by half. I say that, only yesterday on BBC they were down at the Aero Club and they were talking to one of the young pilots there and he said, he was legging it over to Jersey – which was very expensive – so he could catch a flight to Liverpool, which was costing him £18. Now I know every seat is not sold at £18 and the examples given by Deputy Dorey yesterday about the sorts of fares available one-way, it is very interesting if you look at what happens if you try to get back. **(Deputy Roffey: Just go one way!)** I would buy Deputy Roffey a ticket any time! **(Members: Ahh!)** It is a rip off.

2215 So one thing that was not mentioned in Deputy Trott's introduction – and I basically could challenge everything he has said, but I do not really have time for that – there was no mention of, dare I say it, economical, low fares. There really was not. They were talking about connectivity. I do not really have a problem with connectivity. We have got plenty of connectivity. It is the cost of the connectivity that can be the problem. I have even been to Heathrow to try it out and the plane was full both ways. That is interesting, is it not? Which will be a loss to Aurigny, which we will find out about when they publish their accounts for this year because I think this year will be an *annus horribilis* for Aurigny as far as their results show.

2220 The other thing, I think I will refer to the comments made by Deputy Queripel and others about 'build a runway and they will come'. I have never suggested that. I do not quite know where that has started from. What this is all about as far as I am concerned is trying to provide real economic fares for the population of this Island. For you and me. Something like two thirds of the travel is carried out by Islanders. That is not just business, that is family. I remember in the past Deputy Oliver talking about the massive cost of her and her husband and her one child going off the Island. Well she is going to have a bigger problem soon!

2230 I understand that. I get the same thing from my daughter. She recently wanted to have six tickets, obviously with her four kids, for a day trip to London. Just the air fares was over £1,200. Well she did not go. That is why she did not go.

2235 Do we need to have this? No, we do not. We choose to have this situation. One of the problems is – and I fully support the reason why we bought Aurigny, I would have voted for it, it is to preserve the slots, but I think the Aurigny model as it is, is completely broken and it does not provide the best value for the Guernsey person. That, to me, is top of the list. I think there was a recent communication from Deputy Tindall who was saying we are doing it for this and we are doing it for that and then added of course the Guernsey resident. I put them top of the list. **(A Member: Hear, hear.)** Thank you.

2240 Is it possible? Well of course it is possible, but it will require a rather Draconian review of the way Aurigny operates. You will never have an economical airline that keeps its old fleet on the ground at night, each and every night of the year. Aurigny is severely restricted in how it can use its airplanes, especially the Embraer, because when it was flying down to Barcelona, which does not seem a long way away, it could not make it with a full passenger load. It could not get the fuel on. So they were restricted to, I believe, it was 99 or 100 seats, depending on what the temperature was.

2250 There was mention made of – how many? – 600 aircraft out there in Europe can fly to Guernsey. My response to that is, so what? I will give you an example. On Economic Development we were having discussions with an airline based in Amsterdam that wanted to fly a triangular route, Guernsey-Jersey-Amsterdam, and it was viable and they wanted to do it. They did not do it in the end because the slot that they would have used for it could be better used elsewhere.

2255 However, that is not the point. They said, 'We would fly Amsterdam-Guernsey-Jersey-Amsterdam.' I said, 'Why can't you do Amsterdam-Jersey-Guernsey-Amsterdam?' They said, 'We

cannot get enough fuel on from Guernsey to get to Amsterdam.' On an Embraer 190. The reason for that is Amsterdam is about twice as far as Gatwick or London City. They cannot do it. So even the plane we have got is severely restricted.

2260 Now I was on T&R when we put forward the purchase of the Embraer and then approved its funding and the reason that was chosen was it was the biggest capacity aircraft that could use Guernsey and fly with a full passenger load between Gatwick and Guernsey and it was to maintain the capacity because, with the fall of Flybe, we had to provide so many seats and with the slots we had the ATRs could not do it.

2265 We were very fortunate we were given more than a year's notice by Flybe. If they had walked away, like AirUK did a while back with 24 hours' notice, there would have been a shortfall in capacity and God knows what would happen. We were lucky. But that was another reactive situation. Why did we do it? What was the problem? It all goes back down to the restriction of our Airport.

2270 I want to mention something that Deputy Richard Graham said, because he mentioned my name. This is not a pilot issue. It has got nothing to do with pilots, really, this is an economic issue. The only reason that I find I can talk about these things is I understand all the language relating to airfields and aircraft performance. I can talk about TODAs, TORAs, ASDAs, ILS, NGP, VOR, DME approaches, it can go on and on. It means nothing to me and when somebody stands up and says something I can tell what those mean and whether it is nonsense or not.

2275 We have had a lot of misinformation and I sometimes wonder how some people's mental arithmetic capabilities are lacking. Deputy Trott, in his speech, said if we have a 1,800 m runway, he mentioned the figure of 350 m because he was starting at 1,463 m; that is not correct. We have actually got 1,583 m of runway pavement, although 120 m of it is effectively sterile, except for take-off. So it is runway standard, 45 m wide and all the rest of it.

2280 If you think 1,583 m, if you want to get to 1,700 m, that is only 117 m extra. That suddenly is a different calculation, is it not? If you go back to the brouhaha over this US\$100 million that was raised, and Deputy Tindall was involved in that exchange as well, what was said in the PwC report was that a 1,000 m extension, a ballpark figure would be US\$100 million. If you say we are going to do 117 m, that is about US\$11.7 million, which is less than £10 million.

2285 That needs some further investigation but suddenly this massive cost does not seem to be there. There is another piece of evidence, which supports that sort of estimate for an actual laying of the runway, and that is something that I managed to obtain when they were finishing off the current runway, because the equipment was there, the raw materials were there and I said how much would it cost to lay the pavement right up, I call it the chain-link fence, to the boundary at the eastern end. You could have got 1,720 m of pavement that was runway quality. I have still got the estimate; it was £3.5 million just for that run-up. They said add on half a million and it is four million quid.

2290 Now the equipment has gone, the raw materials were basically jobbed out, vanished, I know somebody who bought some of it. So let us double it. You may have to use Ronez to give you the concrete. Their prices are about four or five times for concrete that they are in England. Then add on a bit more, you are talking about maybe £10 million or £12 million. So that kind of lines up with PwC's.

2300 Whether that includes landscaping a RESA outside the current Airport boundary, I do not know, but I think if you wanted a ballpark figure, you could whack 1,720 m, build a RESA to the east, which is within the protected area of the runway development. Everybody is talking about closing the road and filling in the valley but you can actually, because all you are building is a runway and safety area, you could do that on pillars, the road could be, effectively, a tunnel, you could have covered storage.

2305 The other thing, it is not such a daft idea, because when we went up there, Deputy Ferbrache mentioned it, when you stand up there the valley is just a little V shape and you do not go very far before you are almost at the level of the Airport and RESAs – and this was something that was

involved in my *sursis* 10 years ago, where we saved all the money – can have a five degree slope. You could the same at the other end.

2310 So I think a realistic possibility is to have 1,720 m, if you wanted it and runway end safety area to the full 240 m, plus a 60 m runway strip, as they call it, which goes all around the runway, but there was some confusion about whether you could say a runway within the boundary, whether it included the RESA. The RESA would be outside the boundary.

2315 Having said that, a few words on this 1,570 m option that I put forward. My view was: is it worth asking the question whether the regulator, our Director of Civil Aviation, would accept a 90 m RESA at the eastern end, and allow 1,570 m to be used for easterly take-offs or for westerly landings?

2320 When I spoke with the consultants, Jacobs, one of the things I said was is it worth asking the question? They, obviously I suppose, said yes because you would expect them to say that because they got a little job out of it. I said, 'What is it you are going to do?' Because I could have provided a risk analysis of it, but it would not have been acceptable to the DCA. What they are doing is to say if we have a 90 m RESA and the runway strip, so we would still have 150 m at the end, what are the risks of an aircraft over-running the lot and ending up on the road and what would be the chance of that happening in so many years? Would it be one in 50 years, one in 70 years?

2325 We would have to decide, or the DCA would have to decide, what is an acceptable risk and I have no idea what he would decide.

I give way.

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

2330 With the greatest respect, through you, sir, I understand Deputy Kuttelwascher's experience, but what I am hearing through this is what it is going to look like, what it is going to do. I know that is important to people who live up in that neck of the woods but what I am really not hearing is why. I am really not hearing why.

2335 Given his experience, I think Deputy Kuttelwascher said he was a Member of Treasury & Resources. He also said that he has been on Economic Development, possibly a few times. Maybe Commerce & Employment last time and he said he had responsibility for, in this term, air and sea links for the first couple of years while he had a position at Economic Development.

2340 I really want to get back to these figures. For fear of repeating myself, which is exactly what I am about to do, 2008, we had 918,000 passengers coming through our Airport. We have now got, basically, 800,000 coming through our Airport. That is a drop of 120,000 passengers. I believe we resurfaced the Airport in 2012, or was it earlier than that? I did the paperwork in 2012.

2345 The most significant drop, and this is where he did have some involvement, in passenger figures at the Airport was actually between 2015, down to basically now; 860,000 passengers we had in 2015. The next year it dropped to 841. So we lost 20,000. The year after that, it dropped to 813, so there was another 25,000.

2350 I am hearing about grass, I am hearing about RESAs, but with the greatest respect, I do not really understand too much about engineering of airports but what I do understand is when I see a decline in passenger figures and what I am not hearing is why. Why would we be doing it? What is the killer argument?

2355 **Deputy Kuttelwascher:** Deputy Inder wants to know why there was a decline in passenger numbers. Well I do not think there was necessarily one reason. But one of them is definitely the cost of air travel and people are rationing their air trips. It is alright saying you can get a cheap flight on this time, on that time, on that day and this day, but most people have to fly at a certain time and that is it.

I do not want to give way just yet because otherwise I will not get anywhere. I do not want another bunch of figures because I could come up with another bunch of figures. But I think what Deputy Inder is saying, there was a decline in lots of areas and I did not have any input until the

beginning of this term, on Economic Development. That is why, in 2017, we came up with what was in the Policy & Resource Plan, saying let us have a look at it

Now I am not saying that possibly a runway extension will fix everything. Of course it will not. But what you can guarantee is, with our runway, we will continually have severe constraints on what can come here, who can come here, and do we want that? Like we have with the harbour.

Why did we have this big decline? There was a decline in the Open Market and there were fewer people coming here to look at things. There were lots of issues. There is no one single issue, but air fares, the cost of air fares, is one of the issues. Now if one halved the air fares would it solve everything? Ultimately you really do not know until you have given it a whirl. But I know if you and I were able to go for a return flight to Gatwick at the weekend for 75 quid, I would expect people would be getting on more often. You could do that out of Jersey, you cannot do it out of here.

Anyhow that is it, really. There is no simple solution but if you want to continue with the constraints of our Airport runway that is a choice. Now all that is being asked for is let us look for the evidence. Deputy Langlois is saying you cannot get the evidence; it is all based on assumptions. To a certain extent he is right.

One of the things you can do is compare similar situations elsewhere. Now Deputy Trott says you cannot compare us with Jersey because there are 44,000 more people there. Wrong, because there is such a thing as scalability. Last summer Jersey, never mind all the other routes, was supporting nine round-trip Airbuses a day from Gatwick. That was British Airways and easyJet. You could say we are two-thirds of the population, as a first situation maybe we could support six? We have actually got six flights already at the moment, but two of them are ATRs.

It may be less, it may be more and my view is that if you can do those sort of fares, it would be Aurigny who would be buying an Airbus, they would be trading in the Embraer. Because the Embraer, because of the number of passengers and its operating costs, has actually got a 20% greater ... costs than an Airbus 219. So it would be cheaper to operate. They would be paying the same landing charges for an Airbus as they would for an ATR-72, because there is a minimum charge. It is just a very expensive way of doing things. But we were restricted to buying the ATR because it had to fit Guernsey. That is the problem.

I just want to refer for a moment to Deputy Queripel, who made a point of saying build it and they will come. I have never ever said that. Some people have said it, but that is not the purpose of the exercise. That could be the icing on the cake; that could be the cherry on the cake. If suddenly people out there find out it is really quite economical to come here they may or may not come, I do not know.

The issue of what we have by way of a product for tourists is an issue but we, I know, attract more of the mature visitor who come for a long weekend, who like a bit of wining and dining and maybe a walk on the cliffs. At the moment we attract a certain population, or a certain type of customer, and they are the *nouveaux riches*. (**A Member:** No.) Oh, yes, they are. I am not saying everybody who happens to be a pensioner in the UK is rich, but there are a lot of them and they like to spend money on a luxury hotel because they are coming.

This is not a bucket and spade destination. It cannot be. I do not propose we make it into one. The whole issue of market-based options, to me, is a temporary boost, if you like, to what we have got, but waiting for the infrastructure possibly to be changed. If we are never going to build it, fine, if that is what comes out of the report, fine, but you will be paying a lot of money.

Buying a ticket on Aurigny will be like paying your electricity bill. You could have two charges; one you do not see. One is what you pay through your taxes to subsidise the airline and the other one is what you pay for your tickets. Now, until recently, Aurigny had accumulated losses of £31.5 million. We agreed to give them an overdraft facility, not so long ago, for £15 million, and recapitalisation is on the cards again.

All that means is that we will be funding their accumulated losses. In fact, Aurigny have never been capitalised. They have been an airline with no capital base. Everything they operate is on borrowed money. Now that is not a good business model from the start. You start a company but

it has to borrow everything, it is going to be uneconomical. If you really wanted to run an airline you ought to give it £100 million in capital and say, 'Look, buy a few airplanes.' In fact if you took out all the interests payments for Aurigny it would be a completely different picture.

2415 I have not pursued the matter yet on STSB, that is why I say we need to do a complete review of Aurigny's operating model because I think it is not quite right. (**Several Members:** Hear, hear.) I will pursue that.

2420 Going back to the 1,570 m runway, that would not necessarily be contained within the Airport because it depends whether you consider the runway end safety area can go outside. If the DCA decides, no, you cannot have 90 m, he might say, alright you can have 90 m but you have got to installed engineered material and an arrestor system. Well, we have gone past the old concrete aerobars that I think Deputy Brouard was referring to. There is another system produced by a Swedish company called Runway Safe, which is installed elsewhere, and it is far better – hardly any maintenance and it is not difficult to get airplanes in and out. You do not want to go in, but to get airplanes out you just tow them out. That is it.

2425 The DCA might say no to that, in which case end of story. You would not want to do 1,570 m, you might as well use the whole lot, 1,583 m. You could commission that if you did the full RESA to the east but that would go over the road and that would be expensive. My view is then you would look at value for money because if you were to do that and the cost of that, you will find doing that for a 1,570 m runway is marginally less than doing it for a 1,720 m runway. You would not want to do that, even if it is £10 million more, you could do the game-changer, as I call it.

2430 As regards people mentioning the issue about you cannot guarantee an airline – you cannot guarantee any airline will do anything, except maybe Aurigny. But we already have a communication from easyJet that if a 1,570 m length was approved they could operate for that length. We have that. They have it, the consultants have it.

2435 My view is that the chances are that it will not happen. That is most probably the more likely outcome but one always lives in hope. So I would not put too much reliance on that. But it is possible but maybe not as highly probable as one would hope. But it is possible.

2440 Then you get somebody like BA saying, 'We will not do it.' You say, 'Why?' The problem with their performance of aircraft and airlines they have their own rules. They decide whether they want to operate into such a limiting runway. EasyJet say they would, BA say they will not. There is nothing you can do about that. Even Jersey, with its 1,700 m runway for BA and for others, is what they call a captains-only landing airport. It is so restrictive for them only the captain is going to land it. If some co-pilot who is maybe not so experienced gets it wrong and flies off the end that does not do anybody any good. So it is highly restricted in Jersey. But it works.

2445 At the end of the day, it is true about whether or not we can extend this runway, I am convinced that there is a lot of evidence out there that there are lot of benefits. It is not just a review; it is a cost-benefit analysis that is required and that can be done. Comparisons can be there. I am going to finish up with what York Aviation said in 2008. They said at the time they did not think there was a need for a runway extension but it should be reviewed in 10 years' time. Well here we are.

2450 Now they made three assumptions, which they got completely wrong, and if they had got it right I think they would have come up with a different recommendation. One, they said Flybe were unlikely to pull out of Gatwick, because it is a major hub for them, and they will be here for a while. It did not last long, did it? Gone. I think they have gone out of Gatwick completely.

2455 They then said because Gatwick Airport was being sold to a private operator, they would be in competition with Heathrow and expect charges to drop. They went the other way. By certain factors it got very expensive. Then there was another assumption they made. They said with a third runway at Heathrow being built, slot constraints will vanish. Here we are, where is it? Will it be there in 10 years' time? I do not know, there are still slot issues.

2460 There is a risk at Gatwick to the continual operation of the ATR-72. I am not saying it is this year, next year or whenever, but they will not let it go to Heathrow. They will let the Embraer, the

Q400 go, because that is a very fast turboprop. It is like a jet almost. That is why it is allowed to go in there. It is also CAT IIIa, combined. It can also land in fog. But the ATR, unfortunately, cannot.

2465 They have a take-off and landing about every 40 seconds at Gatwick and Heathrow. I know that the ATR-72 basically, because of its slowness and the fact that it is a small airplane, basically takes up an extra slot because of separation you have to have between it and aircraft in front. If there is an Airbus A380 in front of it, you have to have a very long separation, because vortices from the Airbus A380 could tip it over.

2470 Just imagine what would happen if tomorrow Gatwick said, 'Sorry, you cannot have any more ATRs into Gatwick. We will be back into reactive mode, will we not? That is all we ever do; we react to disasters.' At the end of the day I will not be supporting 1(a). I will support 1(b) and as for 2, I think it will be an interesting exercise. I thought most of the work had already been done on that and even if it did come up with something for another operator to do the services or for Guernsey to go its own way, it could be two or three years before that would materialise. What do you do in  
2475 the meantime?

Thank you, sir. (*Applause*)

**The Bailiff:** Deputy de Sausmarez.

2480 **Deputy de Sausmarez:** Thank you, sir.

So many of the points that I was going to make have been made very eloquently by others and I think, actually, there have been some very good speeches, today in particular. I think Deputy Inder, with his recent interjection, asked the question that bugs me most about this whole issue, certainly in relation to air links. That is the issue of why?

2485 Call me old-fashioned but I think the normal way of doing things is to identify the problem and then come up with a range of solutions and then appraise them on that basis. This seems to be so much the wrong way around. I think there is a great tendency, within the community at large, I think we are human, to jump at a solution and retro-fit the logic. We do this in a number of areas but I think this is a case in point and I am worried that it is going to be less an exercise in  
2490 evidence-based decision-making than an exercise in decision-based evidence-making. That is my concern.

Deputy Oliver accused P&R of not getting the terms of reference right for this report but I think Deputies Langlois and Soulsby did a very good job of explaining that really that was a thankless task, because I cannot think of any way in which the terms of reference could have been  
2495 framed, in such a way as to provide this evidence that people want to see. Everyone wants to see the evidence. I am among them. But I think it is a bit of a futile task. I do not think, as Deputy Langlois explained very well, we are going to get a report that provides us with the evidence that we all want to see, that will help us to make a decision.

I am sure we can all think of countless reports, actually, that have been commissioned and have not given us that clarity that everyone hoped for and expected at the outset. It is just an  
2500 unfortunate fact because, as Deputy Soulsby said, no matter how brilliant the consultants, they do not have a crystal ball, they cannot give us the evidence that we need.

Deputy Oliver, among others, also said that this is mostly about perception, I think that is absolutely right, and that is what is at the heart of this. It is an incredibly tricky one but I just think  
2505 it is such a pricey cost to pay. I know Deputy Parkinson has told us that it would not be as much as £700,000, but really what we are voting for is up to £700,000 and, even if it is only half a million, that is half a million pounds. That is a huge amount of taxpayers' money. Really huge. (**Several Members:** Hear, hear.)

I think we all know, if we are very honest with ourselves, that when we get the next report, no  
2510 matter how brilliant the terms of reference, we are not going to have the information that we need. I think at the heart of this there is a fundamental tension. I think the reason that no one has been able to present a *prima facie* case is that at the heart of this there is a fundamental tension between the desire for low fares because – as Deputy Kuttelwascher has just said what we really

need is economic low fares – that is really what people want. When we talk about tourism, when we talk about business, when we talk about locals wanting to get off the Island for a break with their families, whatever, that is really what it comes down to, is economical low fares.

But I think there is a fundamental tension between that and the security of our air links and for me that is really something that I cannot see how it can be reconciled. It does come down to the Aurigny issue. But I do not see how we can achieve low fares if that is indeed what low-cost carriers deliver in the event that all the optimistic assumptions turn out to be correct. I do not see how we can deliver that and retain the security of our air links, which is really crucial to us as an Island. So I think that is a really big part of the problem.

We have had a lot of really cogent arguments from people whose expertise I really admire, actually, in the community. We have had some excellent technical appraisals, we have had business reasons why we should do this, and I have responded to many of those people and said yes, but what does this mean for the security of our air links? How do you reconcile it with the question of Aurigny and things like that? they have quite rightly come back to me and said, 'That is not our problem.' They are making their case and that is fair enough because that is their case to make. But it very much is our problem.

We are in a position of incredible responsibility and we are a government and we do have to take the broader picture into account. So it does really frustrate me. There is a lot of talk about business cases. Business cases are made up of lots of different elements and some of them are listed, actually, in the Proposition, as amended. They will be looking for the technical, the regulatory, the environmental and the economic business case. But actually this misses out the most important aspect. There are other things you could do.

The most important one is strategic. The strategic case is not in there and that is the bit that seems to be missing, to my mind. It does also concern me, we do put a lot of emphasis, quite rightly, on economic development, and business cases, and we all want to act in an evidence-based, decision-making kind of way and that is great. But we do have to remember that we are not a business. We are a government and I do get a bit nervous when there is so much emphasis on business cases, especially when there is not a strategic case within that, but we have to take the broader social and environmental views into account.

I think we need to go further than a business case. I think we need to make a community case for it and that does take all of those aspects into account. I also get very frustrated because, as ever, it is the quantitative issues that are the easiest to compare. If you can have a spreadsheet of numbers then great, you can go, 'Well, that figure and that number is bigger than that number, therefore that is best,' or whatever.

It is very difficult, when it comes to social and environmental issues, to quantify them in that way. But I thought Deputies Hansmann Rouxel and Deputy Dudley-Owen, in particular, totally stole most of my speech, so thank you very much, saved some time there! But they are both absolutely right. We cannot ignore those wider factors and one thing that we do, absolutely unanimously from all the studies that I have seen, and there have been a lot of them in recent years, is that we do know that on a macro-level, the cost of just carrying on, business as usual and not dealing with issues like climate change, is an awful lot greater than the cost of grasping the nettle and actually looking at those issues now.

I think, even if we do have to compare apples with apples, rather than apples with oranges and bananas, as it probably should be, then I think those environmental costs, certainly, are probably a little bit eye-watering, if we are honest.

**Deputy Kuttelwascher:** Sir, can I do a point of correction while there is a pause?

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

**Deputy Kuttelwascher:** Deputy de Sausmarez said there is a business case but not a strategic case. Well the business case is done under five headings and the first heading is the strategic case.



Then there is the economic, commercial, financial and the management. So a strategic case would be part of the business case.

Thank you.

2570 **Deputy de Sausmarez:** Thank you for that – very helpful.

That is my notes precisely, but that is not what is in the Proposition. I absolutely agree that there should be a strategic case but the outline strategic case actually should not take very long to build but no one yet, in the years and years of debate on this, seems to have produced even that. That is what I do find quite frustrating.

2575 I give way to Deputy Oliver.

**Deputy Oliver:** Thank you.

That is what this PwC report was meant to come back, in the original amendment, on 27th June, it was to outline the strategic case.

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**Deputy de Sausmarez:** Precisely; that is my point. The fact that we cannot find a strategic case for this makes me very worried. I think if there were a strategic case someone would have put it on paper. No one has even been able to articulate it and that is what I find so frustrating. You can make arguments in isolation. You can say we will build a longer runway and we will get a low-cost carrier and we will reduce fares and that is great.

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Those arguments work in isolation. It is when you have to look at the bigger strategic picture that things do not quite hang together, as far as I can tell. So I think Deputy Roffey, as well as Deputy Hansmann Rouxel and Deputy Dudley-Owen, have talked about the future of aviation. Deputy Kuttelwascher was talking about how this is a 50-year solution. I do not think the aviation industry is going to look anything like what it looks like in even 20 years, let alone 50.

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As Deputy Roffey outlined, when you look at where the R & D money is going in the aviation industry, it is towards smaller, lighter vehicles, because they need to be of a different fuel type. Also I think it is slightly ironic that there are a lot of people who quite rightly get very het up about building on greenfield sites. I lived in that valley for eight years, the valley that we are talking about at the eastern end of the runway and, wow, in terms of habitat, it is spectacular. There is important farmland there and it is just beautiful. We are losing too much of our habitat. That is just a minor point. That aspect has not particularly influenced my decision.

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I think Deputy Soulsby summed some things up very nicely, for me, because I have to say although I am not really predisposed towards thinking that an extended runway is a great idea, I am very much open to argument. I did come in with an open mind. I did not know which way I was going to vote. I think Deputy Fallaize has persuaded me to vote against 1(a) because I too felt very uneasy about the idea of blocking off a line of inquiry and I certainly would encourage Economic Development. If they think that strategic case can be made, if they think there are things that are worth looking into, then I would certainly encourage them to do that by whatever means they have available to them.

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I just think signing a cheque for up to £700,000 is just too heavy a price. It is too big a price for something that I think, in all honesty, I cannot see any realistic prospect of getting the evidence that people want. I just think it is too heavy a price to pay for looking good.

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**The Bailiff:** Deputy Meerveld.

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

I did not intend to speak in this debate; however I have been driven to my feet by my disappointment in this debate so far. My analysis, in very simplistic terms, is this. Firstly, connectivity and particularly air links, are an issue of very significant concern to many of our electorate and local businesses.

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Secondly, this debate is not about whether to extend the runway. Businesses and the organisations representing them, have repeatedly stated the cost of our air links are not only hindering existing businesses but are also discouraging new ones from establishing themselves in our Island. The electorate have also made their concerns known and that cost is their main concern.

The fact that Members of P&R have repeatedly stated that frequency and connections are their primary concern, despite business organisations openly contradicting those statements, brings me to question P&R's judgement in this matter. Regarding what this debate is actually about, it is concerning whether to acquire the evidence required to make an informed decision on whether or not to even consider an airport extension.

I have been very disappointed in the amount of scaremongering and misinformation I have heard during this debate. Deputy Brouard would have us believe that our large aircraft may be difficult to tow out of an EMAS RESA, the installation of which would limit the distance required at each end of the runway, from 240 m to just 90 m. I am interested to know what size of aircraft he envisages crashing on Guernsey. I certainly do not think we will be dragging a 747 out of the grass any time soon.

All the aircraft that we are discussing potentially coming to the Island –  
I give way to Deputy Brouard.

**Deputy Brouard:** Thanks very much indeed for giving way. The point I was trying to make was that the larger aircraft you have, the more concerned I am that we have larger RESAs to accommodate it and that is why I do not wish to see our RESAs compromised. We have 240 at the moment for a 1,463 m runway, The point I was making is the more you extend a runway into the RESA and the larger planes you have I think that is a recipe that you would not like to follow.

Thank you.

**Deputy Meerveld:** I take on board Deputy Brouard's comments. The fact is our existing RESAs do not meet the international standards right now and a 90 m EMAS RESA would meet international standards. Also, under the ICAO definitions, all the aircraft we are describing potentially coming to Guernsey in the longer runway, if it happens, come under the medium category and not large aircraft. Also I would assume that if any aircraft, however large or small, were to run off the end of our runway, effectively crash in the RESA area, then I suspect that our single runway airport would be closed for a significant amount of time regardless of the size of the aircraft.

We have also been told that roads will have to be moved; some fields will disappear under concrete. This is also not necessarily true. I remember distinctly the first time I flew into Chicago O'Hare Airport and watched a 747 taxiing over the top of the motorway, connecting to the airport. Manchester, Heathrow and 22 other airports around the world have roads that go under either the taxiway or the runway of the airport. These are large international airports. We could of course put any roads that we need to underneath the runway. It would be expensive and guess what? It would be justifying with a business case.

Use another example; roads can go across runways. When I was training as an aerobatic pilot I used to often be held at the end of the runway on take-off, or in a holding pattern above the airport, because the runway I used was crossed by a public road and public transport used to go across it. To use a larger example, more appropriate to Guernsey, Gibraltar has a four-lane highway running across the middle of their runway. So again there are other ways of addressing issues, rather than just dismissing any plans or even thinking about any plans based on assumptions or misinformation.

In Deputy Trott's opening speech, he would have us running scared of the mercenary business practices of low-cost airlines. However I do not see Jersey or any other international airports banishing them due to the way they conduct business. In fact they continue to expand due to the

popularity of their low fares, which are definitely appreciated by their ever-growing number of passengers.

2670 Deputy Fallaize raised the interesting question of why are we debating this issue when it is clearly under the mandate of Economic Development to pursue this matter and they could do so in their own right. I believe I can answer that question. We are debating this issue because P&R have brought a policy letter specifically requesting this Assembly to instruct Economic Development not to pursue this matter, despite the majority of the Members of that Committee

2675 apparently wanting to do so.

It is interesting to note that the mandate of P&R states, and I quote:

To be aware of the powers, duties and limits of a Committee's mandate and to respect and not to undermine the mandates of other Committees of the States.

I am actually not particularly supportive of extending the existing runway and definitely remain to be convinced. However I am completely supportive of the mantra that P&R have been uttering at every opportunity during this term that all decisions need to be evidence-based and all capital

2680 expenditure supported by a business case.

So where is P&R's business case justifying blocking any further research into a business case for developing our Airport infrastructure? It must be remembered that the proposed research may actually support some people's assertion that further development cannot be economically justified. However, without that research how will we know?

2685 To put things in perspective, I believe we have now spent more time debating whether to spend £700k on a business case relating to air links than we spent debating the very dubious decision of this Assembly to support Aurigny purchasing additional aircraft for £15 million. A decision that was made while P&R were in receipt of the draft PwC report and which they declined to release prior to that debate.

2690 The aircraft being purchased by Aurigny will depreciate in re-sale value by £12 million-£14 million the day Aurigny receives them. Yet we are quibbling over spending up to £700k on research that will influence future decisions regarding developing air links and infrastructure for all carriers. Another few numbers Members should bear in mind: P&R has recently announced an intention to spend £200 million on upgrading the States' IT systems over the next 10 years; we

2695 have recently agreed the first phase of an estimated £90 million to enhance our health services and I expect a potential bill for another £90 million to £100 million to be presented to us shortly by the Committee for Education, Sport & Culture for developing our education system.

However we are told that we should not even consider spending £700k on research to develop our air infrastructure because apparently P&R have decided it is out of the question. I agree with

2700 Deputy Hansmann Rouxel, who used the analogy of Schrodinger's Cat. We will not know what we are looking at until we have done the research and have it in hand.

And Deputy Graham, who said we will not be able to close this debate until the business case is produced and we can see whether it does or does not justify further debate on extending runways or other alternatives. I am not so naive as to think that this research, if conducted, will

2705 end debate. Far from it.

However what I would like to say to all my colleagues is that unless this research is conducted, how can any of us face our electorate and say we have made decisions on this matter that is so close to so many people's hearts and was a major issue on the last election? Based on the all-important evidence and business case that P&R has encouraged us to do in all cases except

2710 apparently this one.

The only cogent speech I heard opposing Proposition 1(b) was the one made by Deputy Dudley-Owen and I am very glad that she will be in a position to ensure her concerns are addressed, assuming Proposition 1(b) is approved. I hope that Members will support Propositions 1(b) and 2 to enable both air and sea connectivity to be pursued with equal diligence.

2715 Thank you, sir.

**The Bailiff:** Deputy Yerby.

2720 **Deputy Yerby:** Sir, it may be the case I am the last person to rise anyway, but if not may I invoke Rule 26(1)?

**The Bailiff:** You invoke 26(1). Any Member who has not spoken who wishes to do so, will you please stand in your place? Do you still wish to invoke Rule 26(1); Deputy St Pier is standing?

2725 **Deputy Yerby:** Yes, sir.

**The Bailiff:** I put to Members then that the debate be closed. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I believe that is carried. So Deputy Trott will reply to the debate.

2730 **Deputy Trott:** Sir, I was not expecting that so I am considering whether I should call for my right, which is a 30-minute recess in which to prepare? No, because I am only kidding, we will get straight on with it! (*Laughter*)

2735 **The Bailiff:** I think it is 15 minutes, not 30.

**Deputy Trott:** Is it? Fifteen minutes. No, it is disappointing that we did not get to hear from Deputy St Pier because I know for a fact he would have had a great deal of important stuff to say.

2740 **Deputy Brehaut:** You could always give way to him.

**Deputy Trott:** I intend to do precisely that. He will no doubt seek to interrupt me at the appropriate time.

2745 **Deputy Fallaize:** We have already heard from Deputy Trott in this debate, of course. If Deputy St Pier is that important to hear from, he could always sum up.

**A Member:** Hear, hear.

2750 **Deputy Trott:** We will do it my way, if you do not mind? (*Laughter*) Right, sir, I think it is true to say that I have a reputation for being an eternal optimist. Some would argue that few have done more from inside this Assembly to promote our interests and our economy over the last two decades and I am pleased to be viewed in this way in some quarters.

2755 This is a challenging debate for me because my instinctive position would be to want to say, particularly to Jersey, 'Look Jersey, mine is as long or even longer than yours.' That is something I would like to be able to say. And yet it is obvious to me that an extension to 1,700 m or 1,800 m is both unnecessary and very probably counter-productive. Size might matter but for negative reasons.

2760 Market-based solutions not only work but would also be required even after spending tens of millions of pounds on an extension. As I said in an interview on the steps of the States a few days ago, what is the problem we are trying to solve? Connectivity? No, because the connectivity according to PwC was relatively good and it is now excellent.

2765 Is it frequency? No. PwC tell us that business consider frequency is key and others have reminded us of that and our frequency is very good; so that is not the problem. Is it affordability? Well the answer is, yes, it is because for some, if they do not get the deals that are needed, the costs of getting on and off this Island are not as we would prefer.

But that is not according to my good friend, Deputy Ferbrache, because he, in a rather poor attempt to chastise Deputy de Lisle, said subsidies of £20 or £30 per Aurigny trip would be costly and would not make any difference. He is of course talking about price elasticity, or rather the lack of it. Yet in the PwC report, we are told our leading fare to Gatwick is £50. EasyJet's leading fare from Jersey is £30. I shall do the maths and unlike –

**Deputy Ferbrache:** Point of correction.

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

**Deputy Trott:** Point of correction.

**Deputy Ferbrache:** Thank you.

What I said to Deputy de Lisle was that, bearing in mind Aurigny has about 500,000 passengers per annum, a £10 subsidy would cost £5 million, a £20 subsidy would cost £10 million and a £30 subsidy would cost £15 million. That is what I said. I see Deputy Trott has taken the highest figure and was ignoring the lower figure.

**Deputy Trott:** When you are dealing with a lawyer it always pays to write down precisely what the lawyer has said and that is why I can be so certain of my facts. He said it would not make any difference. I admit he did go on to say it would have quite an impact on the P&L account, but he said that price elasticity would not make any difference.

Yet that £20 difference is all that Jersey can offer as a consequence of having easyJet flying from Jersey. So if this is all about extending a runway to enable easyJet and maybe British Airways to come then clearly the business case does not give you a guarantee. And that was precisely the language that Deputy Ferbrache used. He said a business case does not give you a guarantee and he reminded us that low-cost airlines are temperamental and profits-driven. Of course he is quite right. The business case does not give you a guarantee and, as others have said, these low-cost airlines are precisely that: temperamental and profits-driven.

He went on to say, and again he was quite right, that despite a runway extension these airlines will require considerable additional support. But he did not stop there. He told us, and this plays perfectly to the point that Deputy de Sausmarez has made about the strategic importance of the security of our air links. He said they are here today, gone tomorrow in many cases. They are all wise words – not words particularly supportive of his argument but wise words, nonetheless.

Now this is probably a good time to quote a dear friend of mine, unfortunately no longer with us, Dave Jones, when talking about one of the problems that we have with our sea links. Because Dave Jones always used to say that part of the problem we have with our sea links is that our pan-Channel Island sea link partner, Jersey, built their harbour on dry land. Now whether that is true or not there is no doubt that the depths of that harbour have a very material impact on our scheduling, or rather the scheduling that Condor has with Jersey and is a factor that I may return to later.

I do not particularly like comparisons with Jersey, and PwC is very keen to ensure that we do not make too many comparisons, but because so many others have I do need to remind us of the facts as regards bed stock. The total bed stock for Guernsey, from a tourist perspective, is less than 5,000 beds; but for Jersey it is nearly 11,000, more than double.

There are 44,000 more residents. Why is that significant? It is significant because PwC tell us that each Jersey resident is not dissimilar to each Guernsey resident, on average, in that they fly between 10 and 12 times a year, which means that 44,000 more residents results in an additional 500,000 journeys that originate from Jersey. Now these are material issues and they are the reason why Jersey's market has the critical mass to perform in a certain way, that ours does not have.

Now I cannot move on from Deputy Ferbrache without saying that I was delighted that he was eager to distance himself, as was Deputy Kuttelwascher, from the behaviour of the third political

Member of the 2020 Association. In fact the speed in which they sought to do it, sir, they reminded me of rats deserting a ship.

2820 But it did allow me and others in this Assembly to be able to identify just who the little rascal was and I think we all now know who that little rascal was and –

**Deputy Kuttelwascher:** Point of correction, sir.

2825 **The Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Deputy Trott is making an assumption that there are only three political Members and he is wrong. I will say no more because there are definitely more than three political Members.

2830 **The Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** Sir, this is to you. What Deputy Trott said, he clearly identified somebody. I think most people would know to who has addressed the comment. To me, and I would ask you, that is a grossly improper assumption, inference for a debate. He should apologise. I do not expect him to for a second, but I would ask him to consider that.

**Deputy Trott:** I am very happy to apologise, sir, very happy.

2840 **The Bailiff:** You called someone a little rascal.

**Deputy Trott:** Indeed I did, sir.

**The Bailiff:** Deputy Ferbrache has made a complaint.

2845 **Deputy Trott:** I did not realise 'little rascal' was such an offensive term. Look, as Deputy Ferbrache said to me yesterday, we need to have a thick skin in this Assembly. We should not be so precious about these sorts of things.

2850 **Deputy Oliver:** Sir, what has this got to do with the debate?

**Deputy Trott:** I immediately apologise to the little rascal, sir. I have no problem doing that.

2855 **The Bailiff:** You are still calling him a little rascal. That is no apology. You cannot apologise for calling someone a little rascal and then say, 'I apologise to the little rascal.' That is no apology.

2860 **Deputy Trott:** You are right. I will move on. I am of course entitled to the view, sir, that the behaviour that was entirely unacceptable from a fellow Member of this Assembly towards another. Now, sir, Deputy Ferbrache criticised the report for describing connectivity as excellent at the time the report was drafted and I do concede on that point because connectivity at the time the report was drafted was not excellent, it was only relatively good. But certainly, at the time of this debate, with the development of a number of material events around market-based events, the connectivity is certainly very good indeed.

2865 Deputy de Lisle made clear that market-based options work and that is the way forward in his view. That is a view shared by the Policy & Resources Committee and many others. Now Deputy Parkinson told us that we spent over £80 million rehabilitating, well I am not sure if he did tell us, but we did spend over £80 million rehabilitating the existing runway. But despite that he predicts the extension will only cost around US\$10 million per 100 m. Now this is despite the fact that, for

an 1,800 m runway, a planning inquiry is in fact required and will require infilling a very deep valley and infilling that very deep valley for a number of years.

I give way, sir.

**The Bailiff:** Deputy Parkinson.

**Deputy Parkinson:** Sir I have not suggested that we build an 1,800 m runway or even investigate building an 1,800 m runway. The words in Proposition 1(b) of course came from the Policy & Resources Committee. My view is that we need to explore runway options within the Airport boundary and a 1,700 m runway; and, if it would help Deputy Trott in terms of the cost of the exercise, the Committee for Economic Development have a written quotation from a reputable company in the UK, with experience of building airports, of £23 million to build a 1,700 m runway at Guernsey.

**Deputy Meerveld:** Point of correction, sir.

**The Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Deputy Trott seems to be saying that the only way to build a runway is to fill in the valley but in fact I can cite numerous cases of airports around the world that are built on stilts. There will be no need to fill in any land.

**Deputy Trott:** Provision of a runway end safety area would be quite a challenge but I am sure if Deputy Meerveld tells us it is possible, it is. Is that acceptable? Can I use that sort of ...? Now Deputy Graham made a –

I give way, sir.

**Deputy St Pier:** Thank you to Deputy Trott for giving way.

Deputy Parkinson also raised another point, which was in relation to the strength of the runway and I thought it might be useful just to fill in a comment there for Deputy Trott. The current runway is strengthened to PCN36, which is the number that Deputy Parkinson referred to. Now that was approved in 2008 and the States' report at that time said if the runway extension is adopted, either as part of the currently proposed work or at some time in the future, then the PCN could be enhanced by further overlay to 50, which again is exactly as Deputy Parkinson said, by overlaying additional depths of asphalt.

Assuming that the runway extension to 1,700 m is not adopted at the present stage, then for the flexible pavements of Guernsey it is recommended that the current overlays are designed to accommodate a semi-laden 737 or a fully laden Embraer 195. In other words, the design strength of the pavements has to be a function of the current operational limitations of the runway length and a design pavement classification of PCN36 is recommended as appropriate. This would cater for a half-loaded Boeing 737 and would accommodate the Embraer 195 in a fully laden state as well as the current full range of aircraft that use Guernsey Airport.

I think the reason for mentioning this is Deputy Parkinson said that of course it could be that the Airport would decide that we could use the existing strength of the runway for occasional use but it would make no sense whatsoever to extend the runway with the intention of using larger aircraft only for occasional use. Surely the intention would be for it to be used for regular use?

Therefore I think there should be a working assumption that if you are going to use it for regular use, because that is the purpose of extending the runway and having bigger aircraft, we would need to strengthen it to PCN50, which would mean overlaying the entire length of the runway with additional asphalt in order to produce the strength, which is exactly as provided in the 2008 States' report.

**Deputy Trott:** Thank you.

Deputy Graham wants an impartial and disinterested report and by that I believe he meant a report done without conflicts, describing PwC accurately as a professional body. Of course a consultant such as PwC and any others of their ilk have much to gain by recommending further work. They will receive a substantial fee. They are not a charity and they are certainly not disinterested. Neither can they be impartial. Consultants rarely are.

I thought Alderney Representative Roberts' reminder of an old adage was particularly important: they buy you a watch to tell you the time, but a decisive answer from them you will not receive because, if there was one, you probably already have it.

Now I think it is a good opportunity for a quick reminder of what PricewaterhouseCoopers actually told us. They told us that enhancing Guernsey's air links, in the short term, is most likely to be achieved through market-based rather than infrastructure options, giving any extension of the Guernsey Airport runway outside of the current Airport boundaries is likely to take five years or more; that larger aircraft may lead to more affordable fares but will also lead to reduced frequency; that a significant number of carriers and fleets can use the existing Guernsey Airport runway infrastructure at the runway's current length, with PwC estimating that there are currently as many as 680 such aircraft in service in Western Europe, with a further 50 on order.

An extension of the runway to 1,570 m would be within the current Airport boundaries and may provide additional connectivity; that the critical requirements for the economy are maintaining and enhancing frequency and connectivity and these are unlikely to be achieved through either the use of bigger airplanes, flying to and from Guernsey less frequently, or through an increase in the number of point-to-point low-cost carriers that can operate to and from Guernsey; that extending the Guernsey Airport runway to 1,700 m or 1,800 m may make it more accessible to some carriers on some routes but that does not mean that those carriers will want to come to Guernsey without additional potentially significant financial investment in route development support.

And that Guernsey has relatively good air connectivity and indeed, as I have said, they do not say this, I say this, Guernsey's air connectivity has improved significantly since the study was commenced through market-based initiatives.

Now there appears to have been some confusion during this debate as to where those words originated from. Those words are the words of your consultants. That is what they said and they said it very clearly indeed.

I give way sir.

**Deputy St Pier:** Thank you to Deputy Trott for giving way.

Deputy Meerveld, when he spoke, challenged the reference which P&R had made to the importance of connectivity and frequency and, as Deputy Dorey picked up on page eight of the report, it was quite clearly stated that business travellers value connectivity and frequency highly. That was a quote which he gave; it was in the report of the consultants.

I think it is self-evident that, for example, in the debate about Alderney's runway, it was accepted that if Alderney's runway had been lengthened it would have led to different aircraft flying into Alderney, which would have led to reduced frequency. That was accepted at that time as being a logical conclusion of that process and indeed we need to look no further than the Isle of Man. Reference was given by Deputy Gollop to the number of passengers in the Isle of Man but if you look at page 62 of the report, the number of movements has fallen in the same 10-year period from 45,000 to around 25,000. So the number of movements has nearly halved, reducing frequency and access to the Isle of Man considerably.

I certainly know from some of the conversations, which have happened with politicians in the Isle of Man, if they had their time again they would probably not have made the decision, which they did. Further to a point, which Deputy Trott has also made, this would not be a panacea. It almost certainly would require additional revenue support on top of the capital commitment to the so-called low-cost carriers to incentivise them to fly and this was a point that Deputy Dudley-



Owen made very well. That is what happens elsewhere; that is – she did not make this point, but it is clearly a part of their business model – to be incentivised. Effectively what you are then doing is transferring the cost from passenger to the taxpayer.

**Deputy Trott:** Another excellent intervention and I suspect there may well be more. Now Deputy Inder – very sensible comments, Deputy Inder – said we are chasing the rainbow. The solution is not pouring concrete. I will allow you a little bit of licence there, I think you probably meant, more accurately, laying asphalt, but the point is extremely well made.

I am going slightly off-track here because this is the order in which I wrote these notes down. Deputy Merrett asked me why is the request for £400,000 re: sea links before the Assembly? The answer is a simple one. It is for reasons of openness and transparency. So far, spending has been minimal. The amount of work done, however, has been material and it has been material enough to convince us unreservedly that further contingency planning is necessary. I pose this question – I give way.

**The Bailiff:** Deputy Merrett.

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

I did indeed ask these questions. I also asked what we could expect to see for £400,000? Was it ever coming back towards the States? Would we have a report? Other Members have referred to having a report if Proposition 2 passes but there is nothing in the Proposition that actually says that, or indeed in the policy paper. So my other question, if Deputy Trott is aiming to answer my questions, is do we expect something to come back before the States and, if so, the other key question, sir, is when?

**Deputy Trott:** The answer to the question of when is as soon as practical. I cannot give you a definitive answer because I am not going to be writing the report. I also cannot tell you what it is going to conclude and neither do I want to because the problem, as I have already identified, with some consultants' reports, and as was identified by Alderney Representative Roberts, is they give you the answer you want rather than the answer you need, which is an accurate answer based on the facts. So I have no intentions of pre-empting it, in terms either of time or for that matter of content. But I believe that the information they provide will be of interest to many in our community.

Again I posed a question, what is the problem we are trying to fix? We know that the problem is. The problem is the smoothing out of the affordability of some of our air links, and I pose you this question, which I posed the other day when being interviewed on the radio, that tens of millions of pounds spent on a capital project would be much better spent on reducing fares to consistently affordable levels, smoothing out those fares for our community. That would make much more sense.

I give way, sir.

**Deputy St Pier:** Thank you to Deputy Trott for giving way once again.

What is the problem that we are trying to fix here? I think it was highlighted very well by some of the speeches that were given, showing some of the inconsistencies. Deputy Dorey, when he spoke, identified that 37% of the passengers go into Gatwick, which of course is currently protected under the air licensing regime and would we really want to threaten that link by opening up the competition?

Now Deputy Parkinson was very clear. He said there was 'no suggestion' that that would be licensed and it would clearly make no sense whatsoever, in my view. That conflicts directly with Deputy Kuttelwascher, who said actually the main purpose and objective here is to lower fares for Islanders. That was his objective.

3025 What that interaction showed was quite clearly the trilemma identified by PwC in this report;  
the inconsistency or the challenge of trying to reconcile lower fares, frequency and connectivity.  
As Deputy Dudley-Owen said, echoed by Deputy de Sausmarez, the decisions as ever, in so many  
of our cases are being made in the wrong order. I think, as Deputies Hansmann Rouxel and Tooley  
said, we do need to wake up to the reality that lower fares will principally benefit locals, exactly as  
Deputy Kuttelwascher said, not inbound tourists.

3030 As Deputy Soulsby made the point, we clearly need to identify what our unique selling point is  
... and a lack of bed stock, which Deputy Trott made. That clearly identifies some of the problems  
we are trying to fix, which PwC have absolutely nailed in identifying the trilemma, sir.

**The Bailiff:** Deputy St Pier, you are abusing the give way Rule. (**Several Members:** Hear, hear.)  
3035 On other occasions there has been criticism from many Members of the Assembly of people  
trying to make a speech on a give way point.

**Deputy Ferbrache:** That is a point well raised. I was going to ask you, because I thought the  
Rules were, in closing a debate, only one person could make a closing speech, not two.

3040 **Deputy Trott:** Deputy St Pier is abusing nothing. It is I that am giving way to Deputy St Pier. If  
you are suggesting that I should not give way?

**The Bailiff:** I am not saying you should not but what I am saying is this Assembly has made it  
3045 very clear on many occasions that when somebody is taking advantage of the generosity of a  
speaker in giving way that it is not for the purpose of making a speech. (**Several Members:** Hear,  
hear.) It is to clarify something or to help to advance the argument; it is not for speech-making.

**Deputy Trott:** He is certainly ticking both those boxes, sir, because not only are they extremely  
3050 valid interventions but they are undoubtedly advancing the argument. But I hear what you say, sir,  
and I shall be more liberal, or less liberal. (*Laughter*)

**The Bailiff:** I am not criticising you, Deputy Trott.

3055 **Deputy Trott:** I am well aware of that, sir, but it is I who is giving way, not Deputy St Pier.

**The Bailiff:** But you do not know when you are giving way what he is going to say.

**Deputy Trott:** No, I never do, sir. (*Interjection and laughter*)

3060 **The Bailiff:** Move on.

**Deputy Trott:** The only thing I can be certain of, sir, is that when I give way to Deputy St Pier it  
will be of a very high quality. That I can be certain of. (*Laughter*)

3065 Deputy Langlois said P&R have called it absolutely right. I am inclined to agree. Deputy Fallaize  
nonetheless posed a very interesting question. He said he cannot understand why those who  
favour an extension cannot make the case already. The answer is simple. They cannot make the  
case because they cannot make the case. It is no much more confusing, sophisticated or  
challenging than that.

3070 One of the best speeches today came from Deputy Dorey, and this is often the case, because  
Deputy Dorey brought us all back down on the ground again with a key statistic. There has been a  
tiny decline of 0.2% between Guernsey and the UK's air traffic. Extending the runway, he said,  
would have no effect on the route that has been most impacted. In other words, the reasons why  
the numbers look less impressive than we would like them to, because that has been the inter-

3075 island route and that route, whilst contributing the most of the decline in passenger numbers, does not even require the most modest runway extension for reasons obvious to us all.

Deputy Heidi Soulsby followed with, again, a typically straight-to-the-point speech. She does not want to see a white elephant. She reminded us we already have surplus capacity. How are larger planes going to help with that surplus capacity? She does not believe that spending money on a further consultants' report will achieve anything; a theme taken up by many.

Now one of the most experienced ... I cannot give way, I am sorry. I do not want to abuse the Rule. You see, this is the trouble, sir.

**The Bailiff:** I did not say that you were abusing the Rule in any way.

**Deputy Trott:** Okay, I am going to give way, then, sir. Thank you for your guidance.

**The Bailiff:** As long as this is not for a speech, that is the point I was making.

**Deputy Merrett:** I wonder if, and it is to do with the speech at play, Deputy Trott could return the situation to the surplus capacity being that passengers cannot afford to pay £300 or £400 for a flight because of the way that pricing is done currently? There might be a plane I may wish to carry tomorrow but I am not going to afford to catch that plane.

**Deputy Trott:** I think Deputy Merrett is quite right to come back to the issue of affordability. That is the problem. As I have already said, I would much rather see significant sums of money continue to be expended on improving that affordability, smoothing out that affordability, that is clearly the way forward.

Deputy Roffey is undeniably one of our most experienced States' Members and also, in my view, undeniably one of our best speakers. He said many things of interest. First of all, consultants will not give you the answer; you need to use your political judgement. How many times over the last few years have we witnessed Members hoping that they are going to get an absolute, resolute confirmation of a route, only to find that they have been disappointed because things are not always black and white? They are very often grey and, as Deputy de Sausmarez reminded us, there are so many factors that we as a place of policy-making need to take into account.

He made the point that I made in answering Deputy Fallaize, that if the business case was supportive you would already have it. Of course you would. He also said that Deputy Ferbrache made a speech that Private Fraser would have been proud of. I do not agree Private Fraser would have been proud of that speech, Deputy Roffey, but you are entitled to make that comment.

He also said we need to be really careful what we wish for. He used London City as an example. I am chairman of our financial services promotional agency and I am well aware that many of my friends and colleagues were absolutely certain that a London City route was needed and that they would be queuing at the gates to get on. Capacity would not be an issue.

The point is the outcome was that not only was capacity a real issue – it operated less than half-full – but it was a service that bled money. Now Aurigny of course currently has an objective from its shareholder to break even and we have made some difficult decisions over the years, in an attempt to get to that particular objective, and closing London City was a perfect example.

The sky did not fall in. The world has not come to an end because we no longer fly to London City. It is not always the case that the information that we get from my friends in the industry is as precise and as accurate as we would hope it would be. There is always an element of judgement in their assertions.

Now Deputy Dudley-Owen made clear that we need to sweat our assets. We need to get more out of what we have already got. Of course she is quite right and, I think she said – I am paraphrasing – that environmentally extending the runway made no sense, particularly at this time with the advancements in technology, particularly with regard to more carbon neutral forms of transport.

Deputy Oliver does not want to spend another £700,000 on another report that does not tick the box and then, as I said this morning, she encouraged us to spend another £700,000 on another report. Now I found that baffling and I would not have repeated that had she allowed me the opportunity to finish but she did not, she had sat down by then, sir, and I understand why. But she went on to blame P&R for what the report said. It did not give her the answers she wanted.

P&R did not write the PwC report. The information in the PwC report is what they believe to be the case and the absence of the definitive answers is because they were not provided by the consultants.

I am very happy to give way to Deputy Oliver.

**Deputy Oliver:** Sir, I never said that at all. I said that the terms of reference did not get to sort out what actually really needed to be in that report. PwC just wrote with the terms of reference they were told whereas I do not think the terms of reference were actually correct to start with and that is what I said about P&R.

**Deputy Trott:** My understanding is that there was a catch-all that said along the lines of anything else that PwC believed to be relevant in their analysis of this issue. I am very happy to give way, sir.

**Deputy St Pier:** Sir, I will not give a speech but I am grateful to Deputy Trott for giving way because I want to ask a question and, hopefully, in response to this issue about terms of reference because clearly setting terms of reference is important and does Deputy Trott agree with me that if setting the terms of reference for whatever part (b) might be, if the States chooses that, the terms could be: give us a recommendation, yes or no, should we extend the runway or not? That could be a very clear instruction to the consultant. I see Deputy Oliver is nodding. Her view is it could be one of the terms of reference.

However, Deputy Dudley-Owen said there could be no guarantees and I think Deputy Le Tocq and possibly Deputy Soulsby said the same as well because it will require so many assumptions to be made, which as Deputy Kuttelwascher made, around underpinning what the recommendation could be.

**Deputy Ferbrache:** I interject because it is a speech. This is his fourth speech.

**Deputy St Pier:** Shall I get to my question, sir, would that help?

**The Bailiff:** Yes.

**Deputy St Pier:** Does Deputy Trott agree with me that the terms of reference for any subsequent part (b) might lead to a particular response from the consultant but that in turn would be on the back of a whole series of assumptions, which could give this Assembly a further couple of days' debate about the validity of those assumptions and would no doubt be challenged by those on both sides of the argument?

**Deputy Trott:** I agree entirely, sir. That is exactly what may well happen. Can I say to Deputy Ferbrache, through you, sir, that if he wishes me to give way, he need but ask; I have been extremely courteous throughout this debate –

**Deputy Ferbrache:** Will you give way?

**Deputy Trott:** I give way, sir.

**Deputy Ferbrache:** I only wanted you to give way to say I take considerable objection to Deputy St Pier making four speeches when we are all restricted to one.

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**A Member:** Hear, hear.

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**Deputy Trott:** Deputy Kuttelwascher, he was on fine form. He agreed that it is on the sea link side that the greatest risks exist. Of course he is quite right and P&R have made that position clear. What I would say to Deputy Kuttelwascher is that a government that fails to contingency plan is a government that is planning to fail. I have no intentions of letting that happen on my watch, sir. This work is essential.

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He then said something that did baffle me and it is why I read out a long list of matters that PwC had mentioned earlier. He said he disagreed with almost everything I said in my opening speech and almost everything I said in my opening speech was lifted directly from the PwC report. So I gleaned from that that he disagrees with almost everything that was in the PwC report.

Or he may just have been using figurative language, sir. If that is the case then I forgive him for that.

I give way, sir.

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

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When I said I disagreed with almost everything Deputy Trott said it was what he said as opposed to what PwC might have said and there is not always a correlation between what he says PwC has said and what PwC did say. So there we go. There were at least 17 points that I mentioned that I did not agree with his interpretation in fact. I said I was not going to go through them and I am not going through them now.

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**Deputy Trott:** Like I said, everything that I said that was attributed to PwC, which was almost everything, was lifted directly from their report and in an attempt to avoid any accusation of plagiarism was made clear that it was from that report. But he was right in his conclusion, as many Members of this Assembly have been, the problem is the cost of air travel and that is the challenge for this Government.

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Now Deputy de Sausmarez said we are not a business; we are a Government and we must consider all aspects of the impact of a policy. Again, of course, she is absolutely right. It is not easy, it is impossible, it is wrong, it is not productive to look at these things in an individual manner. We have to look at all of the components, all of the contributors, all of the disruptors, all of the factors, which includes of course issues outside of those that are of a financial consequence.

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I think she said that if a strategic case existed, we would already have seen it. I share that view. She believes that spending £700,000 is a heavy price to pay for looking good. I said this in my opening remarks, only vote to spend £700,000 if you genuinely believe you are going to get some answers to the questions that you have. Do not spend it simply to kick this down the road and to spend hundreds of thousands of pounds on getting us potentially no further forward. You are unlikely to receive a report that provides you with any more persuasive arguments.

I give way, sir.

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**Deputy St Pier:** The £700,000 – this is firmly within the Rule, I know Deputy Ferbrache is bridling but nonetheless £700,000 has come up a number of times – it is critical to make the point that that is a tender figure that went, through the autumn of 2018, to two of the shortlisted suppliers, one of whom was PwC, which was a point that Deputy Roffey made when he spoke. So in response to Deputy Hansmann Rouxel and indeed Tooley, if more work is required, it would be more than £700,000; £700,000 was tendered in the autumn of 2018.

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

Deputy Meerveld said, I wrote it down verbatim, 'Deputy Trott had us running scared in his opening speech with regard to comments he made about low-cost airlines.' I pulled the information directly from the PwC report. So if PwC had you running scared, heed their arguments. They were their words not mine.

Is it not interesting how many Members have believed that these are all sort of original sentences from me, when they have been pulled directly from the consultants' report that you paid for? Those States' Members who think that an extension to the runway is needed in addition to all the other measures we can take to enhance our air connectivity can vote for that Proposition. But as I said earlier and I will repeat now, do not vote to spend £700,000 – and it will be about that, for the reasons Deputy St Pier explained – of taxpayers' money just to test the idea.

Only vote to spend £700,000 of taxpayers' money if you believe that a longer airport runway will support our objectives in a way that other measures and steps cannot.

The Policy & Resources Committee arrived at its position through assessing PwC's analysis of market-based options for enhancing Guernsey's air links connectivity and agrees with the identified benefit of being able to use these options to target investment, to create flexibility in meeting specific challenges and opportunities and to make expeditious improvements. These options are being progressed and the investment in these options demonstrates a commitment across the States of Guernsey to invest in its Guernsey air links. We are open for business. This investment proves we are open for business and, as Deputy Parkinson reminded us, I think the numbers have already improved by a material 2.8%. We are doing the right things.

One of the benefits of a runway extension extolled by those who support it is that it will bring in low-cost carriers who will seek to reduce cost and larger carriers with larger planes who will fly in and out less frequently. This combination would be at odds with the stated requirements of the business community and the economy, as set out in the PwC report. They make it clear, and it is their words, for the avoidance of doubt, that low-cost carriers will not automatically bring lower overall cost of fares, and they will bring reduced, rather than greater frequency.

PwC's review emphasises that it is important to acknowledge the differences in the business models between low-cost airlines and traditional airlines. Low-cost airlines typically, they tell us, are not connecting airlines, in that they fly point to point, do not normally serve hub airports and do not typically sell connecting flight tickets, are more likely to adapt capacity to seasonal demand, adding in extra capacity during peak summer months, but reducing capacity during winter. And that they price dynamically.

Headline pricing may be attractive but last-minute prices can be as or more expensive than traditional airlines. They may operate a lower frequency on any given route, due to the larger size of their average aircraft. Scheduling of flights is often a function of aircraft availability, rather than traveller requirements. They manage their route network actively, meaning that they can shut down routes at short notice, if they do not meet the required commercial thresholds.

Expect significant market and route development support in all of the base aircraft and to grow route networks. So you build a longer runway, they might come, but even if they do they are going to want very significant subsidies as well. It is madness not to see the illogicality of that approach from our perspective.

In addition to this, PwC confirmed that there are many other aircraft that can land on the current runway and they told us that these include regional jet aircraft, such as those that are made by Embraer, that are operated by Flybe, Aurigny and others, and regional turboprop aircraft such as those made by ATR, operated by Aurigny and others, and Bombardier, operated by Flybe, Eurowings and others.

It is the duty of the Policy & Resources Committee to ensure contingency options in relation to sea links are assessed, given the potential change of ownership of Condor Ltd. It is in relation to sea links where there is the greatest potential risk and on that even Deputy Kuttelwascher and I can agree. It is in relation to sea links where urgent work is needed and investment may be required. PwC's report confirms the importance of the Island's sea links to its economic and social

wellbeing. They advocate that the P&R Committee ensures that this critical connectivity is protected from disruption, in the long-term, through effective contingency planning.

It would be extraordinary if any Member could vote against that. I suspect some will. The Policy & Resources Committee's primary area of concern is to ensure the medium- and long-term provision of sea links to the Island. Our view is that, given the importance of sea links, it is vital that Guernsey is prepared for any issue or eventuality. For that reason, having considered the detail of PwC's review, it recommends that the States proceeds with further work on two contingency options.

I think this is probably a record, sir, but I am prepared to allow Deputy Lowe one final interruption.

**Deputy Lowe:** Is the record because you have given way to me? Because I think you have given way to me before. I am being facetious!

I think for me, through you, sir, we are now seeing the fall-out of being very selective of who can see the PwC report. Many of the things here that are coming back in your reply, if we had been able to see it in the Members' Room, in which confidential reports have been shown before, many of this misinformation and taking the extracts out of a PwC report, coming back in a speech to have a go at a Member, if we had actually seen it and been trusted to see it, and not been selective, I think that would have been a lot more helpful.

But somebody allegedly has seen it apparently – this is the question – according to the joy of social media, and that is what I am asking, somebody has actually said that PwC was strongly opposed to a standalone Guernsey Ferries. Is that the real reason why you want the £400,000, to have a look at it in the same way as the runway?

**Deputy Trott:** The PwC report on air links, of course, is appended to the States' Report in its entirety. So I am not really quite sure what Deputy Lowe is referring to. If she is referring to the report on sea links, which some have seen, I can tell you unequivocally that PwC makes no such assertion.

The reason it is not appended is because it contains a lot of commercially sensitive information and as everyone in this Assembly knows, Condor is going through a sale process. Its owners, the Macquarie Infrastructure investment fund, are looking for a buyer and it was considered, following legal advice, that it was inappropriate for this information to be publicly available.

My view is that we should always operate as a government in as open and as transparent manner as possible and I would hope that this report could be made available for States' Members to view afterwards. It is something that we will have to take legal advice on. But I would say this, I have my own reasons for believing that is the right way forward; it is to avoid that sort of tittle tattle, innuendo and falsehoods that emerge around it.

PwC identify the option of this sort of contingency planning as one of the options that we should consider and we certainly agree with them. Now, sir, the Policy & Resources Committee therefore asks the Assembly to support Proposition 2. In relation to air links, PwC's analysis indicates that the current approach to air links connectivity, a combination of route development support, competitive landing charges and market liberalisation, is providing enhanced connectivity. The evidence provided by Deputy Parkinson certainly validates that view.

The extension of the runway is not essential to attract new operators and nor is it a guarantee that they will come. And if they do come further investment will still be needed in terms of route development support and airport charge discounts. The critical factor for business is frequency; that is what we have now. If we extend the runway and secure low-cost carriers, then we will potentially have a reduced frequency with absolutely no guarantee of cheaper flights. I ask Members to support the Policy & Resources Committee's Report as amended and, with that, sir, I sit down.

**Deputy Tindall:** Sir, I specifically asked a question, which Deputy Trott has not responded to.

**The Bailiff:** He has sat down.

**Deputy Trott:** I cannot remember what it was. Let us get on with it.

**The Bailiff:** You have sat down. I think that Deputy Lester Queripel is requesting a recorded vote.

**Deputy Lester Queripel:** A recorded vote, sir, please, yes.

**The Bailiff:** On all the Propositions, I imagine?

**Deputy Lester Queripel:** Yes, sir, please.

**The Bailiff:** Deputy Inder.

**Deputy Inder:** Just a point of clarification, a point of order, sorry. Some clarification. By voting for 1(a), does that actually preclude the Economic Development Committee working from their own budget? It does not.

**The Bailiff:** Deputy Inder was asking whether voting for Proposition 1(a) precludes the Committee *for* Economic Development from doing further work using their own budget. I am going to turn to H.M. Procureur and ask her for a view on that. There is no reference to whose budget is involved in 1(a).

**The Procureur:** There is no reference to whose budget; simply to agreeing that no further work be carried out but there is no reference to the budget, a particular budget, no, sir.

**The Bailiff:** I think that means that the direction from the States would be no further work be carried out, just as if the States were making a direction that further work be carried out. The fact that it conflicts with the mandate of the Committee is a difficult one to balance. I do not know if you would wish to comment.

**The Procureur:** In my view I agree with that. The direction to the States is clear that no further work be carried out and if the Committee wanted to come back to ask the States to change its view, they would need to come back.

**The Bailiff:** So your view is the Committee would have to come back to seek to rescind this Resolution? If this Proposition is carried, they would have to come back if they wished to carry out work because otherwise they would be acting contrary to a Resolution of the States?

**The Procureur:** Indeed, sir, this would be a recorded Resolution of the States.

**The Bailiff:** That is the advice from H.M. Procureur. Deputy Fallaize may not agree.

**Deputy Fallaize:** No. It is just a Committee is able to act contrary to the direction of the States, then it is up to the States to decide, then, what it wants to do in response to that. But it has happened in the past.

**The Procureur:** As a matter of governance, sir, and given this has been recorded in the States, I think it would behove the Committee, in good faith, to come back to the States.

**The Bailiff:** As a matter of governance, yes. So, voting on Proposition 1(a).



*There was a recorded vote.*

*Not carried – Pour 15, Contre 22, Ne vote pas 2, Absent 1*

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Brehaut	Alderney Rep. Roberts	Deputy Yerby	Deputy Le Pelley
Deputy Lester Queripel	Alderney Rep. Snowdon	Deputy de Sausmarez	
Deputy Le Clerc	Deputy Ferbrache		
Deputy Trott	Deputy Kuttelwascher		
Deputy St Pier	Deputy Tindall		
Deputy Stephens	Deputy Tooley		
Deputy Laurie Queripel	Deputy Gollop		
Deputy Dorey	Deputy Parkinson		
Deputy Le Tocq	Deputy Leadbeater		
Deputy Brouard	Deputy Mooney		
Deputy Dudley Owen	Deputy Merrett		
Deputy de Lisle	Deputy Meerveld		
Deputy Langlois	Deputy Fallaize		
Deputy Soulsby	Deputy Inder		
Deputy Roffey	Deputy Lowe		
	Deputy Smithies		
	Deputy Hansmann Rouxel		
	Deputy Graham		
	Deputy Green		
	Deputy Paint		
	Deputy Prow		
	Deputy Oliver		

3385 **The Bailiff:** Members, the voting on Proposition 1(a) was 15 votes in favour and 22 against, with two abstentions. I declare it lost.

We now vote on Proposition 1(b) as amended.

*There was a recorded vote.*

*Not carried – Pour 19, Contre 20, Ne vote pas 0, Absent 1*

POUR	CONTRE	NE VOTE PAS	ABSENT
Alderney Rep. Roberts	Deputy Brehaut	None	Deputy Le Pelley
Alderney Rep. Snowdon	Deputy Tooley		
Deputy Ferbrache	Deputy Lester Queripel		
Deputy Kuttelwascher	Deputy Le Clerc		
Deputy Tindall	Deputy Trott		
Deputy Gollop	Deputy St Pier		
Deputy Parkinson	Deputy Stephens		
Deputy Leadbeater	Deputy Fallaize		
Deputy Mooney	Deputy Inder		
Deputy Merrett	Deputy Laurie Queripel		
Deputy Meerveld	Deputy Dorey		
Deputy Lowe	Deputy Le Tocq		
Deputy Smithies	Deputy Brouard		
Deputy Hansmann Rouxel	Deputy Dudley Owen		
Deputy Graham	Deputy Yerby		
Deputy Green	Deputy de Lisle		
Deputy Paint	Deputy Langlois		
Deputy Prow	Deputy Soulsby		
Deputy Oliver	Deputy de Sausmarez		
	Deputy Roffey		

3390 **The Bailiff:** The voting on Proposition 1(b) was 19 in favour with 20 against. I declare 1(b) lost. We vote on Proposition 2. Again, is this a request for a recorded vote on 2? (**A Member:** Yes.) A recorded vote on Proposition 2.

*There was a recorded vote.*

*Not carried – Pour 32, Contre 6, Ne vote pas 0, Absent 2*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>ABSENT</b>
Alderney Rep. Snowdon	Deputy Kuttelwascher	None	Alderney Rep. Roberts
Deputy Ferbrache	Deputy Tindall		Deputy Le Pelley
Deputy Brehaut	Deputy Parkinson		
Deputy Tooley	Deputy Graham		
Deputy Gollop	Deputy Green		
Deputy Lester Queripel	Deputy Dudley Owen		
Deputy Le Clerc			
Deputy Leadbeater			
Deputy Mooney			
Deputy Trotter			
Deputy Merrett			
Deputy St Pier			
Deputy Stephens			
Deputy Meerveld			
Deputy Fallaize			
Deputy Inder			
Deputy Lowe			
Deputy Laurie Queripel			
Deputy Smithies			
Deputy Hansmann Rouxel			
Deputy Paint			
Deputy Dorey			
Deputy Le Tocq			
Deputy Brouard			
Deputy Yerby			
Deputy de Lisle			
Deputy Langlois			
Deputy Soulsby			
Deputy de Sausmarez			
Deputy Roffey			
Deputy Prow			
Deputy Oliver			

**The Bailiff:** The voting on Proposition 2 was 32 in favour and 6 against. So I declare Proposition 2 carried.

3395 Can I just have an indication of how many people are likely to want to speak on the amendment to the Statutes of Elizabeth College, which is the next item to be brought by the Committee for Education, Sport & Culture? Can I just have an indication, if you stand in your places, to get how many may speak?

3400 In that case I think we should have time to deal with that and then I remind Members we have to come back to Question Time because we have not completed Question Time. Hopefully we will have time to do that and deal with the schedule of future business this afternoon. Otherwise, we would have to take Question Time before the next Article. But there should be time to do both.

**COMMITTEE FOR EDUCATION, SPORT & CULTURE**

**V. Amendment to the Statutes of Elizabeth College –  
Propositions carried**

*Article V.*

*The States are asked:*

*Whether, after consideration of the Policy Letter of the Committee for Education, Sport & Culture entitled 'Amendment to the Statutes of Elizabeth College', dated 27th February, 2019 they are of the opinion:*

- 1. To authorise the Bailiff to present a most humble Petition to Her Majesty in Council praying for her Royal Sanction to the substitution of the present Statutes with those Statutes as set out in the letter from the Clerk to the board of directors of Elizabeth College dated 13th February, 2019.*
- 2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.*

**The Deputy Greffier:** Article V, Committee for Education, Sport & Culture – amendments to the Statutes of Elizabeth College.

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Thank you, sir. I have nothing to add to the Propositions and the policy letter.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Sir, this is a classic sort of teatime on a Friday afternoon kind of debate that Members do not want to spend much time on but it does raise, I think, a few issues. It is clearly regarded as a matter for Elizabeth College and its directors to sort out and I suppose I am pleased to see the support from the newish Committee for Education, Sport & Culture in allowing Elizabeth College to modernise itself in the changing environment of education.

Of course they are entitled to change ancient, Victorian language and all the rest of it and I suppose some Members will welcome the indication, however excellent a chairman the Dean of Guernsey and his predecessors have been, that there may well be a demand for greater flexibility and perhaps by implication a degree of greater secularisation of the school.

I accept all of that. However there are two points I would like to bring to the Assembly's attention. The first point is the interesting observation by the Principal and directors of Elizabeth College that a board of 12, which happens to be the same size of most of the Island's Douzaines, is more effective than a board of nine. We have had rhetoric in this Assembly for many years, the smaller the number of people on Committees, the better and more effective the Government is. Clearly Elizabeth College regard high numbers of candidates, representing diversity of background experience, gender and so on, as an advantage.

The other point I would make is that I think some people I have spoken to about this issue, including people with significant educational and political experience and experience of being governors, are a little bit concerned that we are, as an Assembly, waiving our rights for the foreseeable future to nominate Deputies or other persons to be directors of Elizabeth College, bearing in mind it is part of the public realm; perhaps less so than Ladies College, because I do not believe the States own the buildings, but nevertheless have an interest in the good foundation of the school.

I think the point has been made to me, which I will put to the Assembly that, bearing in mind funding arrangements for pupils, quite properly, will continue for a number of years, until the next stage of review sometime in the 2020's, it would be useful if the States had at least one director, *ex officio*, observing the board and being part of the decision-making body.

3435 It does seem rather extreme that we are going from a situation where perhaps the state interfered a little too much in Elizabeth College and Ladies' College to one of complete neutrality. I would also be interested to see if Ladies College will follow suit in relatively short order.

3440 But I do support the Propositions. I do not think we are in a position not to, but I still think I should flag up that point that there should be a transitional model of governance and oversight by the States, especially Education, Sport & Culture, that Elizabeth College continues in its excellent working order.

**The Bailiff:** Deputy Fallaize.

3445 **Deputy Fallaize:** Thank you, sir.

I thank Deputy Gollop for his support for the Propositions and ask the States to vote in favour of them.

3450 **The Bailiff:** There are two Propositions. I put both to you together. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare them carried.

## Questions for Oral Answer

### COMMITTEE FOR EDUCATION, SPORT & CULTURE

#### Secondary school new starters 2019 – First non-selective year group; numbers of pupils; transition model; range of subjects and extracurricular activities; special education needs offering and transition

**The Bailiff:** We come back now to Question Time and Deputy Hansmann Rouxel's Questions to the President of the Committee for Education, Sport & Culture.

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**Deputy Hansmann Rouxel:** Thank you.

As the parents of pupils in the September 2019 Year 7 intake have now been informed of the secondary that their children will attend, can the President advise whether the number of pupils being admitted into Year 7 in 2019 is as expected and if not whether any preparations have been made to accommodate this change?

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**The Bailiff:** Deputy Fallaize.

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

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The number of students expected to start Year 7 is the highest it has been since 2011. This is driven partly by a slight increase in cohort size and partly by a reduction in the proportion of students enrolled at the grant-aided colleges. The secondary education estate has several hundred surplus places and can accommodate this increase, which equates to three additional forms of entry across the four sites.

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The States will recall the large number and inefficient distribution of surplus places is one of the reasons why successive Assemblies have voted to rationalise the number of secondary sites.

We are advertising for additional teaching roles for September, to ensure there is no increase in average class size.

3475 **The Bailiff:** Supplementary?

**Deputy Hansmann Rouxel:** Yes, sir.

3480 Whilst it is good news that the confidence in the state sector is returning, after the ending of the 11-Plus, and this has not resulted in the bonanza for the colleges that some doom-sayers predicted, can the President advise whether these extra numbers are being accommodated evenly across the current four schools or whether any effort has been made to funnel more pupils to the two eventual sites at Les Beaucamps and St Sampson's?

3485 **The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** The additional pupils are being accommodated, or distributed, based on the existing catchment areas and because the sizes of the year groups in the four schools is different to start with, the surplus children, if I can use that term, are not being distributed equally across the four sites. They are being distributed according to normal boundaries. There is no effort being made to ensure that as many children as possible are allocated places in the two schools, which ultimately, based on the Committee's proposals, would host the two 11-18 colleges.

**The Bailiff:** Is this another supplementary or your second? Another supplementary.

3495 **Deputy Hansmann Rouxel:** The additional roles advertised, that the President mentioned in his Answer; will there be increased tutor numbers to improve the support given to these first pupils who will be going through the transition?

3500 **The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** I am not sure I fully understand Deputy Hansmann Rouxel's question. There is a Question later in this series of Questions in relation to arrangements for supporting students through transition. If the question is: are there additional teachers, which result in lower average class sizes for this Year 7 cohort, going in in September of this year, the answer is no, there is no change in relation to average class sizes. But that requires us to take on additional teachers because the numbers entering state schools in Year 7 are higher than anticipated. The Committee anticipated a higher buyout rate to the colleges than has actually proven to be the case and it is that that is necessitating taking on the additional teachers in state schools.

3510 **The Bailiff:** Deputy de Lisle.

**Deputy de Lisle:** Can I ask a supplementary, sir?

3515 **The Bailiff:** Yes.

**Deputy de Lisle:** It is just to confirm that the colleges are noting a reduction in college places but also to ask the President as to when his figures were derived? Is it still the case today that the colleges are seeing a reduction in the number of places for next year?

3520 **The Bailiff:** Deputy Fallaize?

**Deputy Fallaize:** I cannot tell Deputy de Lisle whether it is the case today. I can certainly tell him it was the case on Tuesday, which is when this information was most recently updated and

the answers were provided to Deputy Hansmann Rouxel. I have to point out, anecdotally we have some knowledge of what is happening in relation to enrolments at the grant-aided colleges, but of course that information is derived from the information in relation to the enrolments in the state schools, of which we have complete knowledge.

So assumptions were made by the Education Office, going back over some years, about what the buyout rating to the colleges would be, as we moved into all-ability secondary schools but, in reality, at the present time, the actual buyout rates are lower than the assumed buyout rates.

**The Bailiff:** Deputy Gollop, is this a supplementary?

**Deputy Gollop:** I hope so.

**The Bailiff:** You hope so? Either it is or it is not. If it is not, it is not permitted.

**Deputy Gollop:** Within the transition model, given the changing face of teacher numbers and pupil numbers, how far is there opportunity for parents to have flexibility of the secondary school choice, according to catchment area policy and so on?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** I think, as Deputy Gollop is aware, the children are admitted to school on the basis of catchment areas. That has been the case historically now. From September 2019 there is a partner primary/secondary school system in place so that admission to secondary school is not based on catchment areas but is based on the primary school at which the child attended. That is the way in which the places have been allocated and the Committee has no intention of proposing any change to that arrangement in the years ahead.

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Could the President just advise or confirm that actually the different experience this year will help inform the shaping of his Committee's planning, particularly around capital needs, before the policy letter comes back to the States later in the year?

**Deputy Fallaize:** The capital plans, which the Committee will put before the States, are informed by a variety of factors, including projected population figures and projected buyout rates into the grant-aided colleges. So obviously if the projected buyout rate decreases then the projected number of children in the state schools will increase.

We are talking about, in absolute terms, a relatively small number of students, because we do not have enormous cohort sizes. But the answer to Deputy St Pier's question is yes, there have been rigorous reviews of the space standards necessary for the two 11-18 colleges, and the kind of information that we are discussing here is incorporated into those figures and will be clearly laid before the States in the policy letter.

**The Bailiff:** Deputy Dudley-Owen.

**Deputy Dudley-Owen:** Thank you, sir.

I am sorry if I did not hear but if Deputy Fallaize may repeat, if he has not already said so, what the actual figure difference is between the projected buyout rate and the actual buyout rate for the year in question, please, it would be helpful.

**Deputy Fallaize:** There is still some analysis being carried out because of course there is also to take into account the students who started in the junior sections of the grant-aided colleges so

it is not as easy a calculation for us to carry out as might first appear to be the case. But at the present time the latest information I have is that there was an assumption that around 48 more students would be in the grant-aided colleges in Year 7 in September 2019 than is actually the case. So in other words, the numbers that we expected in Year 7 in the state schools looks like it is 48 students more than the original projected figure.

**The Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, yes, through the negotiations of the new funding deal ESC were consistently reminded that there was spare capacity, which might enable them to reduce their demands for capital expenditure during transformation. Is he implying that now the States are going to be asked to approve capital grants, potentially only, to increase the surplus capacity on the Island?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** I am not sure I understand the question. The Committee is not going to approach the colleges to try to re-start a system of States-assisted places in the colleges and divert students from the state schools into the grant-aided colleges. If the question is how much space will be necessary at the new schools or colleges, to accommodate students who might previously have been in the grant-aided colleges, clearly there is some additional space but it is quite limited and we are, in the next few days as a Committee, considering whether there is a need for any additional space in the capital plans, as a result of these higher than anticipated numbers going into Year 7 in the state secondary schools.

The Committee is not going to embark on a process of trying to divert pupils from state schools into the grant-aided colleges.

**The Bailiff:** Deputy Hansmann Rouxel, your second Question.

**Deputy Hansmann Rouxel:** As a result of the ending of selection at 11, onward movement of pupils from Year 6 to 7 is based on feeder primary schools. What communication and transition models between the secondary schools and their feeder primary schools have been implemented to take advantage of this change for this first non-selective year group?

**Deputy Fallaize:** Primary and secondary schools are working closely together to ensure the best possible transition for all students. Secondary teachers have visited their feeder primaries to meet key staff and primary teachers have completed a comprehensive form detailing transition needs of individual students.

Primary and secondary staff will then work together to put in place any additional arrangements needed for individual students. This may include extra visits to the secondary school, meetings with parents or additional support from secondary staff on transition days. The importance of conversations is recognised and a day is allocated for primary and secondary staff to have the opportunity to have a conversation about every child, with supply cover funded as necessary.

Teachers from the grant-aided colleges are also invited to attend. Secondary staff will visit each primary school to answer any questions students may have and there are two full transition days for students to have the opportunity to visit their new schools. The new partner primary feeder system is allowing much closer relationships to be developed. All schools have funding to visit each of their linked primaries or secondary to develop an area of their choosing. For example, this funding might be used to allow detailed conversations to take place about curriculum so that secondary schools can ensure they are building effectively on what students have learned at primary school.

**The Bailiff:** Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** A supplementary. Thank you for the Answer. It is unclear whether any of this is a change from how it operated under selection. Can the President confirm whether any of the work mentioned in the Answer is new to this first non-selective model?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Some of what is happening is new but it would be disingenuous for me to stand here and say that it could not have happened under the old model. So it is a part of, it is not exclusive, to a transition from a selective model to a non-selective model of secondary education but some of it is happening for the first time this year and some of it is part of the improvements and changes that the Committee and the new executive head teacher of secondary schools are making.

**The Bailiff:** Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** Thank you.

Another supplementary. In the President's response he mentioned that funding is available for linked primaries or secondaries to develop an area of choosing. An example was given around curriculum conversations. Is the President aware of whether any of the schools have so far taken advantage of this?

**Deputy Fallaize:** No, I am not but I am certainly happy to obtain that information and provide it in writing to the Deputy.

**The Bailiff:** Your third Question.

**Deputy Hansmann Rouxel:** Some of the benefits of having secondary education on two larger campuses come from economies of scale, such as access to a wider range of subjects, and extracurricular activities. The States agreed in Resolution 11 from Billet II, 2018:

To agree that as soon as practicable all students in secondary and post-16 education must have access to the best facilities the Island can afford ...

As this first intake enters the all-ability system prior to the realisation of these 'best facilities the Island can afford', what measures are being taken to ensure that these first year groups can benefit from the two-school model, including but not limited to access to subjects and expanded offerings?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Students entering Year 7 this September will all be in the new school and 11-18 colleges by the time they start GCSEs in Year 10 and will benefit from the full range of subjects and extra-curricular opportunities the new system will offer. In the meantime staff are working hard to align the curriculum and to share resources to ensure the foundation these students receive in Key Stage 3 is as similar and as high quality as possible.

There will be considerable opportunities for these cohorts to mix before they move together in 2022, including opportunities for students at the La Mare and the Les Varendes sites to benefit from the existing facilities at their future sites. Once the new model is fully in place from September 2022, new Year 7 cohorts will enjoy all of the benefits the new model can offer from the start of their secondary education.



**The Bailiff:** Supplementary?

3680 **Deputy Hansmann Rouxel:** Yes, the President mentioned the hard work staff are doing to align curriculum and share resources but it did concern me that to make it as similar and as high quality as possible, does this indicate that some of the secondaries or some of the pupils going to some of the secondaries would have a slightly different experience and not a completely aligned experience?

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**Deputy Fallaize:** I think the important point to make is that they do now and they have historically. We are on a journey of moving to an arrangement whereby students, as they go through secondary education, the opportunities available to them will be more similar than they have been previously.

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So at the moment, for example, Deputy Hansmann Rouxel referred to curriculum. The opportunities available to students today look very different, depending on which secondary school they are in. Not just between the Grammar School and the three high schools but between each of the high schools. There is a journey to narrow those differences as we move to one school operating into 11-18 colleges, where obviously what every student does will not be the same, because it will be tailored to the individual student's needs, but the opportunities available to the students will essentially be the same. I hope that goes some way to answering Deputy Hansmann Rouxel's question. This is a journey and we will not get to equality of opportunity overnight.

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**The Bailiff:** Your second supplementary.

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**Deputy Hansmann Rouxel:** Second supplementary.

I appreciate that it is a journey. I just have concerns over how it is being monitored to ensure that there is consistency through the transition. So if the President could outline or give assurances how it is being monitored.

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**Deputy Fallaize:** Deputy Hansmann Rouxel will be aware that we now have an executive head teacher of secondary schools and her remit goes across all four of the existing state secondary schools. She is very committed to ensuring that, as far as possible, there is alignment between each of the current schools and is fully aware that, in terms of the policy objectives of the Committee, that is the kind of arrangement that we are moving towards.

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There is alignment going on now. There are things that will be done in schools from September, commonly across all schools, which would not have been common previously. But there will still be a greater degree of difference while we retain four separate schools than there will be, ultimately, when we move into one school in two colleges.

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**The Bailiff:** Deputy Merrett.

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

I wonder, just with more clarity in my mind, if Deputy Fallaize could give us some reassurance. For example, some secondary schools at the moment have triple science – biology, chemistry and physics – and some have general science. Now the foundation of learning towards those GCSE exams starts in Year 7. Those students entering in Year 7 in September, will they be having the same foundation to that curriculum, because that was what my expectation is, and if he can use that precise example please of sciences, I think that would give me some clarity in my mind?

3725

Thank you, sir.

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** If Deputy Merrett means will the students who enter in Year 7 now be well-equipped if they choose to take triple science, subsequently, when the subject choice is narrowed I think the answer is yes. If, however, Deputy Merrett is expecting the full benefits of the new model to be delivered from September 2019, clearly that is not going to be possible, because a significant portion of the benefits derive from moving into one school operating on two sites, or in two colleges, and operating with sixth forms on both sites. We cannot do that immediately; we have to go through a journey from going where we are now to getting where we want to be.

**The Bailiff:** Deputy Dudley-Owen.

**Deputy Dudley-Owen:** Thank you, sir.

So this is actually starting to worry me because this is saying to me that we are going to have a transitionary period during which time we are going on the journey with ESC and that a whole load of children will be let down because, obviously, the excellence that is at the end of the tunnel, the two sites, one school model, will not be achieved on day two, or D-day two, whatever it is going to be called; there is going to be a large interim period before that excellence is met. Therefore we must be letting down a whole load of children in that interim period, is that not correct?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** No. There will be an interim period during which the provision will be at least as good as it has been previously, and in many cases better than it was previously, but the full benefits of the new model will not be delivered until we are taking in the Year 7 students into only two colleges operating as one school. It is not that anything is going to get worse in the interim, the provision in the standards will remain at least as good as they are and in many cases will be improved. But the full improvements will not be delivered until the new model is introduced in its full sense.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Yes, my supplementary is that this answer, but also perhaps the two subsequent questions we are yet to hear, it is given the necessity of delivering on the States' Resolution, despite not getting to the two-school model just yet, can the Committee confirm that they would be interested in additional money for the budget to improve resources in the interim, which might include extra tuition or transport between sites or whatever?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** That is a good point. It was always accepted, for example, when the previous Committee put forward its so-called three-school model, there were transitional costs associated with it and in fact the States approved several million pounds of transitional costs to get from four schools to three schools.

The same is true of moving from four schools to one school on two sites, or in two colleges, so yes, there are transitional costs associated with that. The transitional costs associated with that, which go beyond this summer, will be set out in the policy letter, which the Committee will lay before the States this summer.

**The Bailiff:** Deputy Le Clerc.

**Deputy Le Clerc:** Sir, I hope the Assembly will forgive me because I have never had children and I do not really know some of the curriculum but one example that I have thought of, and I

think it is linked to Deputy Merrett's question. For example, at the moment I should imagine that physics is only available as a subject on the Varendes camp site and probably not available at the other high schools, I am not sure about that.

3785 But could I just be reassured that if somebody wants to, from September, at any age group, they will be able to study physics at all four of those schools? Because that is the kind of question I think that Deputy Merrett was getting at, that it will not be available just on one site or two sites; that every single school will be able to offer that subject.

**The Bailiff:** Deputy Fallaize.

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**Deputy Fallaize:** I cannot stand here and tell Deputy Le Clerc or the States exactly which subjects will be offered in exactly which schools. I can certainly get that information to her and I can facilitate meetings between her and the executive head teacher, who can explain in practice which subjects will be available in which sites.

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What I can say is that, as I understand it, physics is not exclusive to the Grammar School but it is being offered as a stand-alone subject in some high schools and not in others, which goes to the heart of the issue. At the moment when you have schools of vastly different numbers of students, one school that has a sixth form, some schools that do not have sixth forms, you get disparity of provision. That is one of the benefits that will be delivered from moving to a system where we only have one school and all children are in one of two colleges of broadly the same size and both with sixth forms.

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They will have access to the same curricula but in terms of exactly which subjects are being studied in exactly which schools, from September 2019, I think Deputy Le Clerc will forgive me but that information is very detailed and either I will have to get back to her or I will facilitate a meeting with the professionals who will be able to answer that question.

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**The Bailiff:** Your fourth Question, Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** Economies of scale in having two larger autism and communication bases on each site as well as a larger SENCO team on each site are mentioned as some of the potential benefits of the two-school model. What work is being done to start to realise these benefits for the 2019 intake, and other year groups prior to the full transition to two campuses?

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**The Bailiff:** Deputy Fallaize.

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**Deputy Fallaize:** The provision for young people with autism spectrum disorder and other communication needs is determined by student need and parental preference. As in previous cohorts there are students within the 2019 secondary intake who will attend a mainstream school, some of whom will receive support from the communication and autism bases at the St Sampson's or La Mare sites and others who will attend Le Murier.

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Staff at each setting will work closely with the educational psychologists and specialist staff to ensure the provision for each student is based on individual needs. Our special educational needs co-ordinators in the secondary schools are working increasingly closely together in preparation for the new model of secondary education.

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They meet regularly to share ideas and resources and are aligning their practice, for example in the use of screening resources, which help to both identify and support young people with additional special needs. Clearly as the transition model develops the opportunities and benefits for this work within a single organisation, operating on two sites, will become fully realised.

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**The Bailiff:** Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** A supplementary. Can the President advise whether there will be more support given to the secondary schools that currently have smaller SENCO teams, which leaves them with less resilience for staff in absences or turnover?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** I think Deputy Hansmann Rouxel is in the current model, while there are still four existing schools? Okay, I cannot give Deputy Hansmann Rouxel any assurance at all that there will be an increase in budgets related to special and additional educational needs prior to the full implementation of the new model.

I can say that in the new model there will be more space available for autism and communication bases than there is at the present time and all children who are in mainstream schools will be in schools with autism and communication bases on site, which is not the case at the present time.

**The Bailiff:** Your fifth Question, if there are no further supplementaries.

**Deputy Hansmann Rouxel:** My fifth Question is pupils with special educational and additional needs are especially vulnerable to disruption and change of routine or environment. What work has been done to identify these children and map their transition as smoothly as possible? And are additional resources required for this work?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Primary teachers and SENCOs complete detailed transition forms, which are transferred to secondary schools once places are confirmed. These detail individual needs and suggested strategies to support transition. Secondary schools then work with primary staff to put additional transition arrangements in place for these students as required.

Conversations take place between primary and secondary staff and, where it is beneficial, staff from other agencies may be involved. In some cases, students will be supported through the transition by the same staff when they are in Year 6 and Year 7. For example, the Les Voies outreach service works with several students in this way.

Resources have been allocated to support staff to do this work. Schools can claim the cost of supply to support staff to complete the transition forms and to attend a day for conversations about individual students. In addition, funding has been allocated to allow staff to complete visits to their linked primary or secondary schools in line with the number of forms' entry of the school: five days for a five-form entry secondary; three days for a three-form entry primary and so on. Schools can choose how best to use these. Several have chosen to use them to complete additional transition visits with identified students.

**The Bailiff:** Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** I thank the President for his response, which I believe is in line with current practice, but the question was whether any additional work was being undertaken, given the transition to the new model and potential disruption of moving schools, not just during the transition from primary to secondary school but actually into the two-school model. So have these children been identified who would be potentially affected by this?

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Deputy Hansmann Rouxel will be aware that any student who is moving site, in the sense not of moving from a primary school to a secondary school, as is always the case, but

3885 moving from one secondary site to another, is not happening for some considerable time. If there are any additional resourcing requirements for the students who are the subject of her question, required at that point of transition, then we will build that resourcing requirement into the resource request that will be in our policy letter this summer.

3890 **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Sir, given the Answers to Question four and now Question five, I would like to ask the President, on behalf of his Committee, to say, in order to facilitate an easier transition for children with autism spectrum and other vulnerabilities, whether he will be specifically  
3895 implementing additional resources and professional expertise of peripatetic teachers and therapists and teaching assistants to help these children and if that requires additional budget that would also be a consideration that the Committee would have to put to this Assembly?

**The Bailiff:** Deputy Fallaize.

3900 **Deputy Fallaize:** Yes, of course that is true, both in the sense that the Committee would be prepared to do that and that it would have to be included in budgets put before the Assembly. But the point is that is not happening yet because all that is happening at the present time is that students are moving from primary schools to secondary schools, the same number of secondary  
3905 schools, in the way that they have done historically.

But clearly at the point of transition, when some students move from one secondary site to another secondary site, the kind of additional requirements which Deputy Gollop has outlined may well arise, and if that is the case the Committee will be prepared to provide additional resources and that will be identified in any budget request which it makes to the States.

3910 **The Bailiff:** Deputy Merrett.

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

Again I just wish to seek some clarity. Can the President please advise us that all children going  
3915 into a state secondary school, after the summer recess, will have a SEN provision? Because I thought, maybe incorrectly, that all children going into the two new sites, whenever possible, I do not even know what provision the two new sites have and what resource they have, extra children going into those sites will require extra resource.

I am sorry sir; I do believe that was two questions.

3920 **The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** If it was two questions, sir, I am afraid I have to say I did not understand either of them. The provision is not being reduced in any way, so children who have those  
3925 identified needs are currently supported and will continue to be supported. Our contention, our firm belief is, and we will be able to show it with evidence in the policy letter this summer, that the provision for those students will be improved once the new model of education is fully realised.

I am afraid that it is not going to be possible in four separate schools on four separate sites to replicate or pre-empt the full benefits of the model, which will be delivered when we are  
3930 operating only on two sites. Because it would cost a very great deal more to resource it. It is by rationalising the number of sites and obtaining economies of scale in that way that we are going to be able to improve provision for students in the new model. We cannot do that while we are operating on four sites.

But the direct answer I think is, yes, students who need additional support for the reasons that  
3935 Deputy Merrett outlined, will receive it from September 2019, in the way that they are at the present time.

**The Bailiff:** Deputy Dudley-Owen.

3940 **Deputy Dudley-Owen:** Thank you, sir.

I am very surprised that these costs have not been anticipated already; that clearly there is not certain detail about the needs of certain children who will be transitioning, because of course we know that there will be needs anticipated in the future. Can the President tell me why those needs have not been anticipated yet, considering that the policy letter is weeks away from being submitted?

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**The Bailiff:** Deputy Fallaize.

3950 **Deputy Fallaize:** The costs are being worked out and if Deputy Dudley-Owen wished to come into the Committee, I could walk her through the financial model that is being used, if that was her wish. The point is that when the policy letter is published, which as she has correctly said, is not very far away, the costs will be included in there.

3955 They are not going to be plucked from thin air 24 hours before the policy letter is submitted. They are being worked on now and they have been in development for some time. The actual costs will not be incurred until the moment the first cohort of students transfers from one secondary site to another.

3960 As she is aware, that is not going to happen for some considerable time. That is when the additional resources will be put in place for the purposes that Deputy Hansmann Rouxel and Deputy Merrett and others are asking about and, in the policy letter this summer, any additional costs associated with that will be set out.

**The Bailiff:** No one else is rising. We can go to the schedule for future business, Greffier.

## **POLICY & RESOURCES COMMITTEE**

### **VI. Schedule for Future States' Business – Proposition carried**

*Article VI.*

*The States are asked:*

*Whether, after consideration of the attached Schedule for future States' business, which sets out items for consideration at the Meeting of the 22nd May 2019 and subsequent States' Meetings, they are of opinion to approve the Schedule.*

3965 **The Deputy Greffier:** Article VI, Schedule.

**The Bailiff:** Schedule for future business, Deputy St Pier.

3970 **Deputy St Pier:** Sir, I lay it and have nothing further to add.

**The Bailiff:** We can go straight to the vote. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare it carried and that concludes the meeting. We will rise.

*The Assembly adjourned at 5.33 p.m.*