

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

15th January, 2020

Proposition P.2019/142

AMENDMENT

Proposed by: Deputy P J Roffey

Seconded by: Deputy C J Green

POLICY & RESOURCES COMMITTEE

The Review of the Fiscal Policy Framework and Fiscal Pressures

At the end of Proposition 1 insert:-

", subject to the amendment of Principle 6 by addition of the following at the end:-

"and 2% per year averaged over any 8 year period"".

EXPLANATORY NOTE

This amendment would see the long term investment in infrastructural renewal and other capital spending reduced from the current rule of 3% of GDP per annum to a minimum of 2%.

This will clearly represent a saving albeit possibly less so than a reduction to 1.5%. This is not certain as in both cases the proposed new rule will set out a minimum spend rather than an exact amount to be spent. It is also impossible to quantify any possible differences in cash terms without knowing future levels of GDP.

The reason the amendment is framed as it is rather than simply substituting 2% for 1.5% is because it is accepted that within shorter time frames it might not always be possible to meet the 2% minimum requirement without lowering the threshold for capital project too far.