

OFFICIAL REPORT

OF THE

STATES OF DELIBERATION OF THE ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Friday, 21st October 2022

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Present:

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Law Officers

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

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Representatives of the Island of Alderney

Alderney Representatives S. Roberts and E. A. J. Snowdon

The Clerk to the States of Deliberation

S. M. D. Ross, Esq. (States' Greffier)

Absent at the Evocation

Deputies T. L. Bury, M. A. J. Helyar, C. P. Meerveld (*indisposé*); Deputies A. C. Dudley-Owen, S. J. Falla, J. P. Le Tocq, L. S. Trott (*absent d'lle*)

Business transacted

Evocation	2187
Billet d'État XVIII	2187
5. Population & Immigration Review – Debate continued	2187
Procedural – Motion to change lunch break	2225
The Assembly adjourned at 12.30 p.m. and resumed at 2 p.m	2226
Population & Immigration Review – Propositions carried as amended	2226
Procedural – Order of business	2265
7. Contributory Benefit and Contribution Rates for 2023 – Propositions carried	2265
Procedural – Order of business	2273
6. Revision of the Double Taxation Agreements made with Poland and Qatar –	
Proposition carried	2273
8. Minimum Standards for Accountancy Firms, etc. – Propositions carried	2275
Procedural – Deferral of items of Business	2281
9. Schedule for Future States' Business – Proposition carried	2281
The Assembly adjourned at 5.34 p.m.	2283

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF in the Chair]

PRAYERS

The States' Greffier

EVOCATION

Billet d'État XVIII

COMMITTEE FOR HOME AFFAIRS

5. Population & Immigration Review – Debate continued

The States' Greffier: Billet d'État XVIII, the continuation of the debate.

Amendment 7.

1. At the end of Proposition, 7 insert 'and in conjunction with the Committee for Health & Social Care, to examine through suitable external advice whether there is scope for reducing the costs to the tax payer of any increased population's access to health and social care services via a commercially provided compulsory health insurance scheme, and to report back to the States of Deliberation thereon not later than the second half of 2023.'

The Bailiff: So we are in the middle of Amendment 7. Deputy Ferbrache.

Deputy Ferbrache: Thank you, sir.

Deputy de Sausmarez asked, I thought – she may have asked more – two pertinent questions yesterday that I will endeavour to answer. The first of the questions that I will endeavour to answer is she asked if this amendment, if successful adding some words at the end of Proposition 7, was effectively explanatory or limited to the proposals currently set in paragraph 7 or is more than that.

Well, it is more than that because the first part of paragraph 7, or the current part of Proposition 7, and that would be what would be before the States if this amendment is not successful, which just directs Policy & Resources to lead a review of the options for any bespoke arrangements that ensure those who are new to a community and may only be staying and working in that community for a fixed period rather than permanently, access public services in a fair and transparent way and to report its conclusions, make recommendations to the States before the end of next year.

This has got an 'and' to it and says:

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STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

... and in conjunction with the Committee *for* Health & Social Care, to examine through suitable external advice whether there is scope for reducing the costs to the tax payer of any increased population's access to health and social care services via a commercially provided compulsory health insurance scheme, and to report back to the States of Deliberation thereon not later than the second half of 2023.

So it is in addition. It could have been 7.2, rather than 7.1 or 7b rather than 7a. So it is in addition to that, in relation to that.

Another question, which she posed, was the £50,000, which is referred to in the explanatory note, before the explanatory note, under the heading:

The financial implications to the States of carrying the proposal into effect are not expected to exceed £50k ...

That would be just if approved at this part of this amendment. It would not relate to the previous part of what is the current Proposition. So that is the proposal.

Now, Deputy St Pier said how is the £50,000 – again a reasonable question, a reasonable statement – how is the £50,000 arrived at? Well a person who would have been in there proposing, if he had been available but he is away on States of Guernsey business, would have been Deputy Helyar, who is the Treasury lead. He has considerable experience in this particular field and he believes, and therefore I believe, because I accept his judgement, that the £50,000 figure that has been referred to is realistic for the work that would be involved.

Both Deputy St Pier and Deputy Parkinson said, if I have understood them correctly, this is not really the right time. Deputy Parkinson said we should be looking at it, if at all, at the time of the tax debate review, which is currently scheduled for late January of 2023.

That would be a time to look at it but I see no reason why it cannot be looked at now in relation to this particular matter because we are dealing with population and immigration and all consequences stemming therefrom. That includes, for example – and the point was rightly emphasised by various speakers, including Deputy de Sausmarez during the course of debates that we have had over the past day or so in connection with population and immigration – about childcare, and the cost of the childcare, the provision of childcare, etc.

So, this is a many tentacled beast that we are debating in relation to these matters and we should, as soon as possible, address all these particular issues. Now Deputy Roffey delved back into his considerable memory and experience and talked about the proposals put forward, amongst others, by former Conseiller, former Deputy Bob Chilcott. Now this is not quite the same because he said, well we have got an insurance scheme anyway.

We have, to a degree. If I recollect, and I really may be recollecting wrongly, it was proposed that Norwich Union would be funding all of this and it proved not to be practical for whatever reason. I do not know now and I cannot remember, I am not sure if that is what we are talking about today. But it is a factor and Deputy Trott made the point. He was talking about Alderney but, as Alderney Representative Roberts said, it equally applies in Guernsey.

You could get some 65-70-year-old who quite legitimately, quite properly lived and worked all their life, for example, in the UK, wants to come and live with their children in Guernsey or they are a returning Guernsey person who has worked all their life in England or somewhere else, wants to return but has made no financial contribution to our Social Insurance scheme at all. Now why should that be a burden on the taxpayer who has paid 20 years, 30 years, 40 years, their Social Insurance contributions?

Deputy Gabriel made a statement that, frankly, astounded me because he would have been in favour but he had got a problem compelling people to do something. Well, we compel people to pay Income Tax. We compel people to pay Social Insurance. We compel people to wear a seatbelt when they are in the front of a car. We compel people not to murder somebody. We compel people not to urinate in the street. We do lots of compulsions.

If it is a matter of voluntariness, why should a person who has paid their tax all their life and their insurance all their life in this jurisdiction, pay for a 70-year-old who comes to this Island without making any financial contributions to healthcare because –

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I give way to Deputy de Sausmarez.

Deputy de Sausmarez: I thank Deputy Ferbrache for giving way and I appreciate the answers he has given to the questions that I asked yesterday. I am just seeking one further point of clarification. Is the intent of this amendment confined just to new people coming in or would it, might it apply to the total of the increased population, if you see what I mean?

Thanks.

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Deputy Ferbrache: I think it is the greater rather than the lesser. I hope that answers Deputy de Sausmarez's question. But it does include the 65-70-year-olds that I am referring to. I am just using that as part of the proposals I am putting forward because healthcare, we have got a Budget to debate in just a few weeks' time and healthcare is the biggest user of our available revenues and quite rightly so. People are living them.

The point I was going to make before the very helpful interjection by the question by Deputy de Sausmarez was that, if you get to 70, and that is a great age, if you get to 70, on average, of course it is an average, it is only an average, the costs that you cost the taxpayer in relation to your healthcare is four or five times what it would be if you were a 30-year-old.

Now, I was hearing Deputy Brouard list all his ailments that have been repaired recently and I stood up, because I wondered if he was going to be able to complete his speech. But he did! And he also reminded me a bit of the Bionic Man after all those operations but the point he was making was a serious one, that as you get older you tend to need, on average, more care.

Now, going back to the point I was making in relation to Deputy Gabriel's speech, in connection with that, if we do not want to compel people to do things then why should I and other taxpayers who make, like we all do, our contributions to the tax take and the Social Insurance take over many years, why should we pay for these people who are coming across? Shouldn't we be able to work out that that cost us £237.63 to pay for those kind of people over a year, per taxpayer? I am just making that figure up, by the way; there is no reality in relation to that figure, I am just using that as an example.

Why should I have to pay that? Why should I be compelled to pay that when I have already made my contribution and other people have not? So I really do not understand Deputy Gabriel's point at all because we live in a society whereby, within the bounds of reason, we are all compelled to do things that we otherwise might not want to do in respect of all of this.

Now it is a human reaction, a human thing, to want our family to come back. I remember in the 1980s and 1990s, my in-laws had come from England. They lived with us. Sadly, they are both now dead. One of them in particular, my father-in-law, was a cost to the community and he never paid contributions here. He had worked all his life in England. He was an Englishman and he retired here to live with us and with his grandchildren.

I had no compunction about that because those were the halcyon days of the 1980s, 1990s and the zero-zeros, the noughties. I know the financial contribution I made to the Exchequer of Guernsey over that time that if we added up all the costs of my kids going to school, all the costs for everything else and the other services, obviously, my family used, I would have still been a net contributor. So I do not have any guilt in relation to that.

But that is not a situation that can go forward now because we are in a very different financial situation. Our kids do not get grants to go to university any more, in the way that they used to when I went off to law school, etc. years ago, to the same extent, because we cannot afford to do it. We cannot afford to give tax relief on mortgages to the extent that we used to do. We cannot afford to give tax relief in relation to various matters that we used to be able to do. We simply cannot afford to do it.

Now all this amendment does, but it is an important amendment, is to ask P&R and Health & Social Care to look to see if we can get external advice, and that means external advice, I am informed, which is available locally, whether there is the scope for reducing costs to the taxpayer of

any increased population's access to health and social care, etc., by a commercially provided compulsory health insurance scheme.

Now Deputy Trott was absolutely right when he said yesterday there would be a cap on that because people who have – I do not – private health insurance know that as they get older the cost of that goes up because you are seen to be a greater risk and a greater burden to the insurance fund that will pay your medical fees.

It would have to be in the round because also you would have to insure people who might otherwise not be insurable under a normal commercial arrangement. So all of those issues would have to be looked at. That is all that is being asked for. We have got to start making progress in relation to trying to reduce the costs, which will increase, of health and social care going forward, otherwise our difficult financial position, which is not desperate – to use the words of *Danny Boy*, we have not moved from sunshine into shadow – but we are moving into a more difficult period of our fiscal responsibility and our fiscal duties. Otherwise, it would be uncontrollable. So I ask Members to support the amendment.

Thank you, sir.

The Bailiff: Alderney Representative Roberts.

Alderney Representative Roberts: Thank you, sir.

I was not going to speak on your housing policy before Deputy Brouard lodged this amendment. Of course all the health costs are rising, as indeed costs are rising in all areas, and we are not alone as these problems are global problems. This amendment raises a possibility of a Guernsey health insurance requirement. An essential worker comes to the Island, as Deputy Ferbrache said, and later his elderly parents arrive. No history of contribution whatsoever. It equals monetary loss.

These Islands, unlike the UK, we cannot print money or borrow a vast sum, so books have to be balanced and tough decisions taken. Alderney is in deficit and I have called constantly for ways to reduce that deficit with Guernsey – our fiscal partners, our friends for many years. We are not a bunch of can-rattlers, as some might think.

I would welcome any health insurance requirement in Guernsey. However, this must be Bailiwickwide and is indeed a way to reduce Alderney's deficit, also. I am happy to support that any such insurance is extended to Alderney as this could substantially reduce our medical deficiency costings. You know, Alderney has been in deficit and if such a scheme can help reduce that deficit in Alderney I will support it.

Alderney's economy is open to vast improvement with the right decisions and this is perhaps the first step in that journey. If Alderney pays its way then Guernsey itself gains ground and Alderney has great under-worked work potential, we all know that. Look, every 1,000 mile journey starts with a single step. Let us make this step together with this amendment.

The Bailiff: Deputy Gollop.

Deputy Gollop: Certainly heartening and unifying words from Deputy Ferbrache but also Alderney Representative Mr Roberts, whereby perhaps Alderney is realising that the costs of our Bailiwick, which can also apply quite specifically to Alderney, partly because of its isolation and demographic differences, is a real cost.

I must admit, Deputy St Pier said he did not like late amendments; well, I like late amendments. Both Deputy St Pier and Deputy Parkinson queried the need for this amendment at this time. Yes, in many respects, this is more of a budgetary amendment or even a tax reform amendment, but Deputy Ferbrache is right. We should have a can-do attitude and get on with things, rather than necessarily wait for the right boxes to be ticked. And it does fit in to population in some respects because the points Members have made, of migrants moving to the Island, whether older or younger, is a key point of costs of infrastructure of moving forward. It is part and parcel of the wider debate about population.

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I must admit, though, I could argue both ways on this. Actually, I do not really like the thought, the philosophy behind the amendment, in many ways, or the thinking that might be there. Because I think we run the risk of going backwards in terms of social policy to, perhaps, the 1980s. Deputy Ferbrache mentioned the golden era when money was more plentiful and finance and other sectors were booming, mushrooming up.

But in a way, as Deputy Roffey reminded us, it takes us back to the pre-Mr Bob Chilcott era, when there was not insurance and there were all kinds of ideas and I remember the massive public meetings in those days – not just this era that attracts political anger – and many people at those meetings, whether they were young finance movers and shakers or Open Market people, they said, 'We do not want a compulsory, long-term care insurance scheme or health insurance scheme, because we can afford to go out in the private sector and get better deals from private insurers.'

Yes, they could but we are talking about averaging out costs to the community. The downside of private insurance is that Deputy Inder, for the sake of argument, might get a very good deal, and I would get a very poor deal because they would say I have too many conditions. It is not a level playing field. I agree with what Mr Roberts said. The downside even for Alderney was this could put off future residents moving to Alderney, precisely because they would have unaffordable health insurance compared to if they moved to the Isles of Scilly or the Isle of Wight or maybe other places.

So it is not a zero-sum game. It is ironical that some of the people who were keen on this possibly were not that wedded to the secondary pensions, at one time. Because this is almost a sister to that policy because secondary pensions has come in because, for whatever reason over 30 years, social democracy, the pension was not keeping pace to alleviate poverty. Now we are kind of saying that a health insurance scheme, and we have not had a sales tax, we have not increased the costs particularly, is not quite making it and Deputy Brouard, as President of Health & Social Care, is worried about rising costs so we need to bring in bolt-on.

That concerns me because I believe that, actually, we do need in some areas, socialised solutions and not necessarily always taken from the right of the spectrum. But if you crawl around the rest of the world, you have a system whereby, if you move to Germany, you have to have compulsory health insurance, some of it is state provided, some of it is private provided. You get mutuals in France, which again is a different mixture, and Ireland, depending upon means, you get a medical card.

We need to know more about all of these systems and that is the job to do. I would agree that this is an area we need, we may kick it all out, to look at. We actually do need to do that research and see where we stand, really. I think there are reciprocal issues with other islands and the UK, as well, but at least we can have a conversation. The best part of the amendment, I think, is the explanatory note, which I can thoroughly endorse.

The original Proposition was worded so as not to be constrained, but it does warrant specific investigation and in particular the merits of the former health insurance, drawing on the local talent in the insurance and reinsurance market, and also offering assurance for a suitable captive entity. We may have on the Island really bright, smart, modern ideas that would enhance our system and actually enable people, who can afford it, or people with specific conditions, or new residents, or new migrants or employers, to actually really help out.

But I will repeat my final warning that if certain people who are employed, especially in the less well-paid sectors, if either they or their employers are expected on top of everything else to find realistic and viable private insurance cover, that will not enhance Guernsey's image in terms of attracting the best talent.

But as far as this goes, it is like a think tank amendment. Let us get on with it.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Thank you, sir.

I am not against the intention of this amendment at all. Indeed, I have been banging on about it for some considerable time myself, last term and this. There are issues in this, of course, and those

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of us that have been looking at it for a while know that and I know it is not going to be straight forward and not going to be the panacea for all ills; if that is the right metaphor to use for this particular amendment.

It is unlikely to be anything that would impact on short-term permit-holders and I think, it is unclear from the amendment, what it actually means, who it is actually targeting. Is it just the people who retire to Guernsey, who have not contributed, or are we wanting to put another scheme on top of the scheme we already have, with Deputy Roffey making very clear we already have a compulsory insurance scheme and everybody contributes to that who is employed or self-employed or in some states, non-employed? It is unclear what it is actually trying to do.

But I understand there are specific areas we do need to look at. I think in terms of people who retire over here and Alderney, that is a concern. Certainly when I was in Deputy Brouard's seat, we were looking at. The one thing I am surprised it does not include means making people actually use the private insurance they have already got.

That is probably, in many ways, a bigger issue than people who come over here and have not paid enough contributions because there are so many people who have insurance through their work who decide, because the system is so good, they do not bother using their insurance and they think that it is better that they do not, that we could actually really benefit if people did that.

Now Deputy St Pier asked about whether the Policy & Resources Committee knew about this amendment. No, I did not. The first I knew about it, it was on my desk here. I think perhaps if I had I might have suggested that the amendment be worded in a different way because really the wording we have got here is not necessary. We already have an extant Resolution, which covers this area.

I hate to mention the Partnership of Purpose but Proposition 21 of the Partnership of Purpose very much deals with this issue. It has not been treated as a priority thus far by Policy & Resources Committee and Health & Social Care Committee but it is there and all that was needed to be done was to say, 'Right, we are going to make that more of a priority.' Although it is unclear from this amendment where this work would sit in terms of priorities.

If we are saying this is more important than other category one work then what are we doing there? We are told, we were told by members of the Committee I am on, that we have not got any more resources, we have not got any more money. So something will have to give if this amendment is approved. I have got no problem with that. I just think Members need to be aware of the implications. We can approve everything all the time but every action has a positive and opposite reaction, you could say.

Proposition 1 is already included in there so it would be very interesting to know from Deputy Brouard what areas of work that they are currently undertaking would be put to one side to enable this to be done. But also I think you cannot do this in isolation and it very much links to another action, which is in the Government Work Plan, which is on the universal offer and I think the work on the universal offer, again part of the Partnership of Purpose, needs to be looked at in terms of being able to decide what it is that insurance scheme should cover.

So it is not simply dealing with this bit of work here, it will require extra work on top of this. So this will not be a simple piece of work. It looks great and I totally understand why we want to do it and I am not against doing it but I think people need to understand that things will change.

I give way to Deputy St Pier.

Deputy St Pier: I am grateful to Deputy Soulsby for giving way and I just want to push her on this point as to whether she would agree with me that there are, based on what she said, substantial risks that the cost of this will be greater than the £50,000 that is indicated in the explanatory note. But also, as she has identified, the internal resources have not been identified and that could be

substantial.

The reality is this is a very substantial piece of work, which is not properly reflected in the explanatory note, would she agree with that?

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Deputy Soulsby: I would agree with Deputy St Pier here. The reason this work has not been done to date is because there has not been the capacity to do it. There is not the capacity at the moment, within Policy & Resources Committee, and I do not think there is any capacity, within Health & Social Care. Something will have to give there.

In terms of being able to do it for £50,000, I do not know what conversations have been had by various people. I think Deputy Brouard said Deputy Helyar had been involved in this to some extent. I do not know what discussions Deputy Helyar has had but I do agree with Deputy St Pier. I think this is quite a big piece of work and we know how much it has cost just having reviews in relation to our Tax Review, quite eye-watering amounts of money. I suspect this will be more than £50,000. But that is fine. That is up to States' Members to agree and I am happy to go that route. All I am saying is something else will have to give and Members need to be aware of that.

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Deputy Inder: Rule 26(1), sir.

The Bailiff: Can I invite those Members who are yet to speak to Amendment 7 and who wish to contribute to the debate on it to rise in their places please.

Is it still your wish, Deputy Inder, to put it?

The motion is that debate on this amendment will be closed, subject to the usual comments from those who are entitled to make their comments at the end of the debate. It is a procedural motion. Those in favour; those against?

295 Members voted Contre.

The Bailiff: I will declare that lost. Deputy Mahoney.

Deputy Mahoney: Thank you, sir.

I am speaking briefly, actually, just to primarily respond to the questions from Deputy St Pier, yesterday, when he made them. He asked whether Members of P&R support the initiative and from my part I certainly do. In Deputy Helyar's absence I confirm he does, although of course Members will take that or leave it, whether they believe me or not. But given that he has been one of the drivers of this then that should be a decent indicator as to his thoughts on the matter.

Now whilst this amendment was not specifically discussed at Committee, my recollection is that when the concept was noted it did receive unanimous support in P&R; certainly Deputy Ferbrache has confirmed that this morning, for his part, although it seems that Deputy Soulsby perhaps is now neutral on the matter. As I say, we have not discussed this particular amendment but merely the concept of it.

But really we are getting a bit carried away here because what we are talking about here is a commercially provided scheme, to take the weight from the Guernsey taxpayers' shoulders. That is all we are talking about here. The cost of the amendment is minimal in terms of the potential savings to the taxpayer and, as noted by Deputy Ferbrache, and seemingly Deputy Brouard would have clocked up this amount on his own in the last few months with his bits and, by his own words, he is a pretty fit bloke.

The, frankly, scaremongering that we are talking about, Deputy Soulsby talks about the huge amount of money that the States has had to spend on the Tax Review but we are now likening a Tax Review across every type of income generated that we could possibly imagine, across an entire community – individuals, corporates, etc. – with a scheme, which you can probably buy off the shelf.

Deputy Soulsby: Point of correction.

The Bailiff: Point of correction, Deputy Soulsby.

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Deputy Soulsby: I was not comparing the whole Tax Review, I was just considering the individual tax reviews done by Deloitte, I believe, and EY, which were for specific areas.

The Bailiff: Deputy Mahoney.

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Deputy Mahoney: So, as I say, tax reviews, across a huge number of areas against a probably commercially available from the shelf item. So I do not really get the connection there.

For my part, I have no issue at all with those coming to the Island having to dip into their own pockets to pay for it, rather than us all paying for their future health requirements. I actually believe that is fair that you should be paying your own way. I would like to go and live in Monaco but I cannot afford it, so I cannot go. But if that applies to stopping someone coming here because they cannot afford that part of it, then so be it.

Indeed, as noted by Deputy Meerveld, who is not here today, it is already the case in many jurisdictions that you have to have this choice – I think Deputy Gollop referenced it as well this morning – before you can go there. I do not see why we should be any different, so I will be supporting the amendment.

The Bailiff: Deputy Dyke.

Deputy Dyke: Thank you, sir.

I support this amendment. It is an interesting idea and I guess it falls somewhere between population and possibly, at the end of the day, tax. Other jurisdictions do protect themselves from costs incurred from incoming residents. It is fairly standard. I suppose the simplest way for us to look at it would be to say, 'If you come here, say, on the Open Market, then you must have an insurance policy and there will be a specified list of ones you could have.' That would probably be the simplest way. We could do all sorts of other things.

One thing to note, though, with private insurance policies, is that inevitably they exclude preexisting conditions and they also, if you look at Aviva and AXA PPP, for example, they also exclude chronic illnesses and the definitions vary in the policies, but a chronic illness usually will not be covered in a standard insurance policy. So that is just one slight word of warning there.

There are other approaches to this if you have got people coming to the Island. For example, the easiest one to refer to is the Open Market but obviously you have got licensees as well, that you have to demonstrate, if you are coming here as a permanent resident, a financial capacity to support yourself without throwing yourself onto the States of Guernsey for medical or other reasons.

So there are two possible approaches to this. One is the proof of wealth and income and the second is the required insurance policy. So there are all sorts of ways one can look at all this. If you widen the scope of this and turn this into a tax thing, do we consider, or maybe it has been considered before, whether a tax break for the general population on medical insurance premiums, would encourage more people to take out private insurance, thus relieving the States of quite a lot of medical costs and reducing the waiting lists?

That would require quite a lot of thought in terms of a cost benefit analysis. There are all sorts of things we could follow up with on this. It opens up a lot of interesting possibilities, so I am very much in favour of this amendment and we should follow through and look at it.

Thank you.

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The Bailiff: Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you, sir.

Firstly, I just want to thank Deputies Brouard, Ferbrache and Helyar for bringing this today. It feels it has got quite some time before this coming to the Assembly but I think it is a really good step in the right direction and starting that, moving forward. As a Member of HSC, I fully support this and I think, just regarding the States of Alderney side of it, this has been discussed quite a

number of times and it would have been helpful for the former Chief Minister in 2008, who actually put this forward, rather than moaning at Alderney the whole time, but I will leave that to another

I think this is very supported by the States of Alderney Policy & Finance Committee and I know the working group between the Islands have been talking about this guite a lot, so it might be helpful if Deputy Brouard could maybe state that Alderney potentially will be included with maybe a letter to the States of Alderney being submitted to get that approval that we would be taking part in this when the scoping work comes back and obviously somebody has to think about taking this further forward. But I think it is an important step forward and I think Alderney realises it and I think we are very much on board with that so there should not be any issues from the Government side of it.

And thank you for those Deputies for bringing this forward. It has taken some time to get here but I think we have got, now, some action so we need to move this forward and press ahead. This is all really about saving money and we have got a tremendous problem, as we know, which has been highlighted by Policy & Resources, so let us take one of the steps to hopefully save money as well.

Thank you.

The Bailiff: Deputy Blin.

Deputy Blin: Thank you, sir.

I, like most other Deputies speaking so far, also very much support this. I must say that it just seems a little bit strange that it was brought in so late in the day. However, I do also agree that, actually, it is opportune, because the whole discussion is all around population and immigration and if we are going to talk about net migration and everything there, we have to take into account those ages.

One good point to note is that if figures serve me correctly, the finance sector in Guernsey is around 5,900 people in the sector and most of the finance sector carry very good insurance cover and everything for all their staff, and on top of that they have the option to actually add on for additional members, i.e. dependents and everything else.

So that in itself will actually reduce the impact on part of our population. It is also worth noting, though, that when you consider moving to Guernsey and a lot of us are always talking about getting the right people over here, choosing the right professions or skills to come over here ... Well, when you come over here, not only do you have to look at cost of living, tax, you have to look at schools and education and actually this will be a factor. So in certain jobs, maybe not within the finance sector, this could be a factor.

But the overall picture is that this is going to be timely, particularly, Alderney Representative Snowdon mentioned that also it would be very interesting in broadening too, this is a really good, timely, structured amendment and the main thing, which I appreciate, is examine through suitable external advice whether there is scope for reducing the costs to the taxpayer.

So that is the key and the second part is the amendment does not seek to prescribe a solution, but rather ensure that there is a significant focus on health and social care costs. So all of this, I fully endorse and support.

Thank you, sir.

The Bailiff: Deputy Moakes.

Deputy Moakes: Thank you, sir.

I too do not like late amendments. I always like to study amendments, research amendments, call people about the amendment they have placed, ask questions before in debate, so that I have a really good idea about where I feel and then I can listen to the debate as well and see what other actions people are making or ideas people have.

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STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

However, this amendment is simply calling for an investigation. It is not saying this will happen, that will happen. It is saying let us investigate something. I have to say, why would you not agree to review ways in which we can reduce costs? So I support this amendment even though I do not like the fact it was brought in late because, if it comes back with things that we do not want, we can say no. But it could come back with things that we do want, in which case, we will inevitably say yes. So it seems like a logical and sensible solution to me.

Thank you.

The Bailiff: I am going to turn to the President of the Committee *for* Home Affairs, Deputy Prow, to see what he wants to say on this amendment.

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Deputy Prow: Thank you, sir.

I can be brief. I would just like to start what I was going to say by thanking all those Deputies yesterday for my birthday wishes but they have raised serious data protection issues in my view! (Laughter) Sir, I actually could not think of a better way of spending my birthday yesterday. I actually heeded Deputy Brouard's three score years and 10, but I can tell him I actually feel fine this morning, thank you very much.

Can I just deal with what Deputy St Pier had said about late amendments and in particular ... and I think he expressed extreme caution around making policy on the floor of the Assembly, and I completely agree with him. It is not so much the late amendment it is the time that you have to consider these things and where those late amendments have real impact. I agree with him.

However, I think Deputy Trott, Deputy Meerveld and of course the proposer and seconder, Deputy Brouard and Deputy Ferbrache, have made a very powerful case that it is worthy of consideration. It does not actually make those sorts of policy directions that I think Deputy St Pier was particularly worried about. I must refer to the amendment, let us go back to the amendment, and it is talking about Proposition 7, that is a Proposition that we are being asked to consider, which is evidenced throughout the Review and the policy letter, and it starts with the word 'and', so it is adding something to that Proposition. And it says:

... to examine through suitable external advice whether there is scope for reducing the costs ...

So it is asking this Assembly to examine something and it gives the caveats around what that examination would be. So I can certainly support that and I just would like to reinforce what I have just said by referring again to the Review, let us go back to the Review, and the work done, 6.24, it says:

At a government level, there is a need to consider how public resources can be more effectively targeted through, for example, further means testing (for example restricting access to Family Allowance for households with an income above £120,000), or restricting the entitlement to some services on the basis of residency period or contribution record. If this is not addressed, increased net migration will put more pressure on the funding of those services. This provides opportunity to improve social inclusion for those receiving the targeted support and, by considering alternative routes of access for those falling outside the eligibility criteria such as possible insurance models, retain a universal ability to access core services in a way which is fair and equitable to the population as a whole. It should be stressed that this work will not include access to universal entitlements, such as access to education and school.

So that is what the report says. I believe that this amendment is helpful and furthers the Proposition and is actually drawn out in the Review itself.

Thank you, sir.

The Bailiff: Finally, Deputy Brouard as the proposer of this amendment to reply to the debate.

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Deputy Brouard: Thank you very much, sir, and thank you very much to Members for first of all indulging us in allowing it to be laid and also for the contributions to the actual debate itself.

It is very easy to sit in the States and do nothing. You can coast through if you want to. So I do at times get cross when people lay amendments but other times I am very pleased that they do. It does take quite a bit of work to bring amendments forward. As I say, I do not always like them, and sometimes you just need to lift the lid on something that you feel strongly about. In this particular case, I will go on in a bit more detail later but it has been bubbling along for a long time and we have never really got any traction on this. This was an opportune time, I think some of the other people mentioned that it was opportune – I think Deputy Blin mentioned it – and it was literally opportune and I will come to that a bit more.

I think Deputy Parkinson was mentioning that it needs to be part of tax but it is one of those things that you could either put it as part of tax or put as part of social reform. It will always fall between a whole lot of different stools.

Now, Deputy Roffey mentioned we have got a compulsory scheme. I think what has changed is when that scheme was put about, we were not living as long. From my days in Social Security, we were finding that the actuaries, unfortunately, bless them, were always wrong. We were always behind the curve. They were always predicting we only need to increase this much because people will be living only to here. They find out three years later, actually, the longevity has increased again and of course then we need more money. So we have always been behind that curve.

Forty, fifty years ago you would not have an 85-year-old having a hip replacement. That was unheard of. You would have a sign put above the bed, do not resuscitate! That does not happen now. We are able: technology and the skills of the doctors and the hospital team, we can keep people alive for a lot longer and in a satisfactory way. The days when you can go out for a pound and go to the Cellar Club, have a haircut and fish and chips on the way home are long gone, Deputy Roffey.

I thank Deputy Meerveld for his comments yesterday about imported labour and the other jurisdictions do have restrictions as to how you can enter, even live in their country, and what provisions you need to have if you do join that particular society. I do not think we should be scared of having a look to see what we can do to help our local taxpayers.

Deputy de Sausmarez was asking some other questions about who I am actually focusing on. I think Deputy Ferbrache covered it. Although the increase in population is the main driver, whether we then narrow it down to those people who are of a certain age, whether for those people who have got jobs or whatever, that is really for the Review to do.

Although we have given quite a narrow focus in the amendment, as we all know in committees, once you start looking at these things, you can go to different places or different areas as you find you need to. So I would probably say wider, to start with, and I think Deputy de Sausmarez and also I think Deputy St Pier mentioned about the funding, just to say, the price to look at it has come from the professionals at P&R to have a look at it but just think, this is the cost of two heart bypasses or three complex hips. That is in the context. So if we saved in 10 years' time or five years' time or how many times, two heart bypasses, well we have paid for the review. You would need to put that into that sort of context.

Deputy Matthews, thank you for your support. Deputy St Pier has now moved like me, yesterday, into following Deputy Trott's mode of operation where he is asking questions but I think he actually already knows the answer but wishes me to put them. I appreciate it was a late amendment I think he was asking about where it came from. I think the original gestation of this was from my days on P&R when we have talked about the cost of long-term health. It also came from the discussions with Alderney Representatives over the last six years as to the particular issues they have.

And it has been raised at the Presidents' Meetings. I know Deputy Helyar has been very keen to make some moves on this particular area. So that is how its gestation came to. But we have never bottomed it out; that has been one of the problems with it.

Deputy Gabriel, yes, concerned about the compulsory aspect of it. For any scheme that comes forward, there will be some people who have already got insurance, which is fine, and I think there will be just like now you can have an exemption for a particular, if you are up to a certain standard

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you do not need to then have to have another compulsory one. We do not want people double insured but I think that is the detail that will start to come out.

It may well be that we get to half-way through the year next year and actually this issue has got legs but needs some more work. Well, that will be up to this Assembly to drive that work but I think, when we are looking at increasing our tax take up to £85 million, we really need to look at everything we can do to lower the burden on local taxpayers and this is one aspect of work on that.

I think Deputy Trott, and I thank him for his support, mentioned or he was going to mention but he did not quite get round to it because of the interruption, in Alderney in particular, it is a particularly high cost base to work from to provide services. That is the same whether we are providing police or hospital care or whatever. Anything we can do and I am really grateful to the support of the two Alderney Representatives because they fully understand the position that Guernsey is in. So thank you for that.

Deputy Ferbrache, I very much thank him for his support and for being part of the amendment and very clear advice to the States. Deputy Gollop, as well, thank you for the can-do attitude. I think the other point he was making, which was the one that I really lean to, is we need to do the research. It is an area we keep on talking about but we never bottom it out as to whether it has got legs or not and I think we actually need to do that.

Deputy Soulsby, almost in the same vein, I think her words were she has been banging on about this for years. It is in the Partnership of Purpose, that is where I have seen it, but we do not do anything. So let us at least have it as a marker for something that we need to push forward. I thank Deputy Mahoney for his support through P&R as well, and Deputy Dyke.

I think Deputy Dyke's words, it opens up the possibilities. Let us lift the lid on this, let us see if there is something here that we can actually make some saving because people who come here, especially late in life which is great, they will be here a long time. They may be in retirement for 30 or 40 years, which is unprecedented. We have never had a situation like this before. Who is going to pick up the cost of their healthcare? Should it be them? Should it be us as a society as a whole? We need to have that wider debate.

Deputy Blin, again, I thank him for his ... Late in the day and opportune. Yes, absolutely right and again I think from Deputy Moakes' point, I think he virtually summed it up, it calls to investigate only. I think that is important. If we are going to be asking our Islanders to stump up £85 million to support us, we need to be looking at other methods and other ways where we can defray some of those costs. I thank Deputy Prow for his support that it needs to be examined.

Just finally, sir, this also ties in with the SLAWS issue, the cost of long-term care. Who is going to pay for that? I think we can wait, we can do this another day but somebody at some stage will need to look at this particular issue. You can wait until my cohort of articulate middle Guernsey starts filling up your inbox saying that they want this service or that service. We need to make sure that we have got the Health Service with the funding that can provide that and if that can be provided by some people using insurance, then that would be for the greater good of everybody.

As we have found with those who have lived some of the previous debates on SLAWS, putting a charge on the family home or having the family home sold to pay for your long-term care, is an interesting option. We have never been able to grapple with that and take that forward. This is another way whereby we can help with those costs by looking at a different alternative by people having their own private insurance so that they are in control of their own destiny.

Thank you all very much for indulging myself and my fellow Deputy Ferbrache in this and I urge everybody to support this and we at least start to look at this particular issue. Thank you very much indeed.

The Bailiff: Well, Members of the States, we come to the vote on Amendment 7, proposed by Deputy Brouard, seconded by Deputy Ferbrache. Will you open the voting please, Greffier.

There was a recorded vote.

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Carried – Pour 30, Contre 3, Ne vote pas 0, Absent 7, Did not vote 0

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Burford	None	Deputy Bury	None
Deputy Blin	Deputy Parkinson		Deputy Dudley-Owen	
Deputy Brouard	Deputy St Pier		Deputy Falla	
Deputy Cameron			Deputy Helyar	
Deputy de Lisle			Deputy Le Tocq	
Deputy de Sausmarez			Deputy Meerveld	
Deputy Dyke			Deputy Trott	
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Leadbeater				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Prow				
Deputy Queripel				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy Taylor				
Deputy Vermeulen				

575 **The Bailiff:** In respect of Amendment 7, proposed by Deputy Brouard and seconded by Deputy Ferbrache, there voted in favour, 30 Members; against, 3 Members; 7 Members were absent at the time of the vote and therefore I declare Amendment 7 duly carried.

The Bailiff: One more amendment to go, at least for now, and that is Amendment 8. Is it your wish, Deputy Gollop, to lay Amendment 8?

Amendment 8.

In proposition 10 (a) and 10 (b) replace "three" with "four".

Deputy Gollop: Yes, please, with some trepidation.

Could the Greffier read the amendment? Is that necessary?

The Bailiff: It is your entitlement Deputy Gollop to ask that the amendment be read.

Deputy Gollop: Thank you.

The Bailiff: Greffier.

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The States' Greffier: Amendment, proposed by Deputy Gollop and seconded by Deputy Blin:

In proposition 10 (a) and 10 (b) replace "three" with "four".

The Bailiff: Deputy Gollop.

Deputy Gollop: Yes, thank you.

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I would ask you, sir, that my seconder, Deputy Blin, will do the summing up on behalf of this amendment, partly because he has a lot more knowledge of recruitment, employment and managerial issues in this area than myself.

I will just explain the gestation of the amendment, and I thank Deputy Prow and the Home Department for their help, in providing a response, albeit at very short notice. I may allude to their comments. I do not know if their views to States' Members are deemed to be entirely confidential or not, I am not clear about that. But they do strongly oppose this.

Nevertheless, just as a sort of tailpiece to the decision we have just made, I do worry that we are in danger of playing get out of jail cards to get out of real economic issues because clearly getting the public to pay for health insurance is not a solution, necessarily, to obstacle problems. One of the best election slogans I have ever read was Deputy Le Tissier's two years ago. He had a beer mat, or a water mat, published, which said, 'Guernsey has lost its way.'

Now, there is part of me that thinks that this whole population debate has been losing its way because we have not actually had much discussion on the Propositions. What we have had are a lot of, not side issues exactly, or the last one definitely branched slightly, in a way, but we have had discussions about enhancing performance, productivity but not about why we are here. Deputy Vermeulen knows why we are here. It is one of the reasons he stood and was extremely successful in the last election. (Interjection.) Yes, he was.

But my argument here is there has been, for several years, really since 2019, a concern by employers in both the public and the private sector, of shortages of staff. We are seeing restaurants and other businesses closing, not because there is not the economy to support them but because they cannot get staff. Put on the television, almost every news for the last year for both Jersey and Guernsey, 'shortage of key personnel'.

Deputy Moakes, as an able spokesman from Economic Development, has frequently said there could be 1,000, maybe even 3,000 unfilled jobs. You will hear the same thing from business organisations.

So we should actually be coming to this debate from a strong, employment, economic and, to a degree, social – because of the need for carers, nurses and other people in our community. But because of Brexit and many other factors, what we have had is a very strong message of caution about Border Agency issues, work permit issues and all of those.

My amendment, I do not particularly want to put it, in a way, because we have had excellent, powerful speeches from Deputy Aldwell, Deputy Prow, Deputy Taylor, Deputy McKenna, that we have to be astonishingly careful in ensuring our integration with the Common Travel Area, with United Kingdom policy, in playing the game, in being responsible players, which we always are, and in not getting the sanctions that were in the 1971 Law.

But when these policies were discussed amongst States' Members over a week ago and looked at, we are actually making some significant, potential changes. We are effectively getting rid of the medium-term employment permit and restructuring the short-term employment permits and we are putting a maximum, albeit I do approve more of the aggregate idea, to three years, from five years, which is actually a 40% reduction.

I am not surprised that the steering group on population considered this very question and I would argue that a maximum of four years appears, I would probably concur with some of the advice on this, to avoid the red line – we heard about the red line, settlement rights – by ensuring that no one living in Guernsey on the basis of a STEP could accrue five years' residency.

But one has to remember, and Deputy Roffey and others made the point, that an increase from three to four years, which is not five years ... actually, if I am not really entitled to put this amendment because it is dangerous, you could argue that States' Members should not have the vote about reducing the current level from five years to three years because if, for whatever reasons, States' Members choose not to do that, then we are in a tricky situation.

But with short-term employment permits these apply to everybody, not just people who have Border Agency visa requirements. It applies, as I said, as we heard yesterday, to everybody living in

Ireland, Northern Ireland, England, Scotland, Wales, possibly the Isle of Man, Jersey, Alderney. And so I cannot see why, in certain circumstances, somebody who is fully entitled to live in the Common Travel Area, could not have a four-year permit. But we know from the advice that it would not, if properly managed, lead to any red line of settlement rights.

I appreciate subject matter EXPERTS – in capitals – are clear that it could heighten certain risks. I have not been able to consult the Law Officers in depth as to that. But I think it is not just about whether individuals remain right up to and beyond the five-year threshold. Of course, those Article 8 rights about enabling to remain on the Island apply to people from the Common Travel Area as well.

It does seem to me that we are like a two-headed snake, a bit, on population policy, because the mood of the States, especially when Deputy Roffey and Deputy de Sausmarez's amendment did not make it, is we have to accept population increase for our demographic, economic and other reasons and that we should welcome it, with the right people. And yet we have another side of the States saying, 'Yes, we welcome 300, on balance, a year but we still feel a need to push people out.'

What is the difference between Guernsey and the Isle of Wight, apart from taxation, of course? One difference is if you are an establishment in the Isle of Wight, you are a hotel or a business or a factory or a care home or whatever you are, you can recruit people from Southampton, Portsmouth and Brighton without the need for housing licences and we cannot. Of course our people in Guernsey or partners, who live on the Open Market, who get around those rules, and I am surprised we have not had more –

Deputy Mahoney: Point of order, sir.

The Bailiff: Point of order, Deputy Mahoney,

Deputy Mahoney: Thank you, sir.

I am just going to try a 17(6). Given that the amendment is extremely narrowly defined, are we straying into sort of more general debate here, given the very defined nature of the amendment?

The Bailiff: There is a degree of accuracy in that, Deputy Gollop. I am satisfied that you are introducing why there should be a change from the three to the four, in those two paragraphs of Proposition 10, but you really do need to focus on why it is relevant to increase from three to four.

Deputy Gollop: Well, I think, although to be fair the Home department views on it have gone into wider areas of it, as well. The actual policy letter is extremely vague on many of these matters. It basically just says we need to move away from five years. But there is absolutely no justification anywhere in that lengthy document as to why three years is the correct answer.

The response from the Home department that Members would have received cautiously says:

The recommendation of a three-year cap as distinct from a four-year cap is therefore a risk-averse approach, taking into account experiences elsewhere in the CTA.

That is exactly my point. It is being applied to everybody, regardless of whether the candidate for employment is a CTA resident or not and the expression, which is a responsible one, I do not disagree with, a 'risk-averse approach', is obviously correctly from maybe an External Relations and Border Agency view. In fact, they have gone beyond where they need to do. There is an admission that four years is manageable but three years is less risky.

But we are not just here talking about risk to the migration regime, we are here to ensure we have personnel for social, employment and economic reasons and it does seem that the focus of this has been to marry up and balance different considerations. Because the reason why I was going off into the differences between us and the Isle of Wight, to come back to Deputy Mahoney's point, and your point about staying relevant, is that we are going into the next decade still with, in a sense, a handicap, with a ball and chain around our legs, because we have an onerous population regime,

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that is not just based upon visa and work permits, which we do entirely responsibly within the context of the Common Travel Area, it is based upon licences for people other than indigenous local Guernsey market people.

That is a constraint because people in that category, have obviously more bureaucracy, more restrictions than they would in other parts of the United Kingdom or elsewhere. For me, there was a lot of talk amongst States' Members – I did not see an amendment appear – why three years? Four years is a middle course between three and five and we needed to consider four years because four years would be so much better to reduce the churn for continuity of employment, for training, for attracting the best talent, and maybe younger people settling here over time in certain cases, but not everyone, of attracting worldwide human capital.

It is obvious, common sense, that four years to an employer or an employee is better than three years, so I do not understand why we do not embrace that. That is the point of the amendment, to have this debate and give a choice. Because I can see a certain scenario where this amendment does not fly today but the thinking behind it will have to be reconsidered by the experts, the subject matter experts, from the Deputies who work on population.

We live in such changing times. When this debate started, what seemed an era ago – two days ago – we had a different Home Secretary and since then a Prime Minister has gone as well or retiring. We do not know for certain whether within six months, who is going to be in Number 10 Downing Street or around the cabinet table and, more to the point, more relevantly, we do not know if they will be in, or even which party will be there, in the long sense, but whether they will be enlarging the scope of migration to the Common Travel Area or contracting It.

But whilst that conversation goes on, we can stay within the rules, we can behave responsibly. We do not want to do anything to interfere with our situation. But at the same time, have a more middle, moderate position, whereby we go for four years, rather than the five or the three and, with the four years, we will also have the ability to grant longer short-term licences to people who are entirely legitimate residents within the Common Travel Area.

So I hope this amendment will stimulate the debate and the thinking as to not just what we do today but how we shape a more generous supply side culture of the right employees, with the right business and social skills to come to the Island in the next year or so.

The Bailiff: And Deputy Blin, do you formally second the amendment?

Deputy Blin: Yes, sir.

Deputy Queripel: Sir, I rise to seek clarification from you, please. Shouldn't we be presented with a motion to suspend the Rules?

The Bailiff: No, Deputy Queripel, on the basis of the Rule 4(1)D information, it does not fall within one of those that has to be lodged in advance.

Deputy Queripel: Thank you, sir.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, all I rise ... is to – I am not sure I have got an interest to declare but for the avoidance of doubt I declare it because obviously my family have got hospitality interests and if it was passed it could be said to be beneficial to them. I have no doubt Deputy Blin will expand on it. So I am not going to speak further and when it comes to the vote I will either not vote or I will abstain.

The Bailiff: Deputy Oliver.

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Deputy Oliver: Thank you, sir.

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I remember last term, when I was on the Home Affairs Committee, we had lot of explanations about Article 8 and how the length of time can actually impinge on human rights and everything. Now when we were looking at the medium-term licences, that was for five years. We had no problem saying that five years actually was okay and it would not impinge on your human rights to actually have to remain in Guernsey.

This is what I am a bit of a loss with, really, because I know and I have read the Home Affairs letter and I understand that three years is completely no chance that you would get Article 8 and you could get longer term residency with that. But surely with such – and it is a difficult employment market for employers, trying to get employee ... it is a really difficult market out there and rather than trying to compete with others, we are competing with other jurisdictions, let us try and attract some of the workers that we need. Let us be a little bit less more averse and a bit more welcoming, so we do not have this constant churn and we can also hopefully give these businesses a bit more continuality with their workers.

Because I know if I only had a contract job for so long, I would always leave before that contract was up because I want continuality myself, to try and actually make sure that I do not have a big void in my employment and I can actually get another job afterwards. So with three years, you would start looking, probably about two, two and a half, and it also takes you quite a while in some jobs to actually get used to how they work and everything like that. So take six months of that.

Then you have only got really two years of hardcore working for that company. I actually think, and I am really sorry and I do not normally go against that, this is a very good amendment because I think it will just give a little bit more stability to the short-term employments and the businesses so I would actually say please vote for this.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Sir, I am going to carry on in a similar vein from Deputy Oliver and I welcome her insights.

When I read the response, which I am grateful that the Committee *for* Home Affairs was able to circulate but I am mindful that anyone listening to this probably will not have read, I was not persuaded by it. I appreciate they have made a case and they have set it out but for me it was not convincing. It does state clearly in the first paragraph that a maximum of four years for STEPs would appear to avoid the red line of settlement rights and it goes on basically to say but there is a slight risk and a slight risk of that. I think in the fourth paragraph down, it says the recommendation of the three-year cap for STEPs is therefore a risk-averse approach.

I think it is excessively risk-averse and I think under these circumstances we probably cannot afford, on balance, to be that risk-averse. So I am certainly minded, I will listen to the rest of the debate, but I am certainly minded to support this because I think on balance it is likely to be more benefit than risk, if that makes sense, in that balance.

I am also mindful of the Rule that would prevent Deputy Blin from introducing new arguments when he sums up so, in order to give him the hook to do so, I will ask him, when he does reply to debate, to explain some of the possible benefits from extending from three years to four years, if he would not mind doing so, because I think it is pivotal and I do appreciate he has got a very relevant insight into that world.

So I will listen to debate but I have to say, from what I have read so far from Home Affairs, I am certainly minded to support this. I think, on balance, it would be better.

The Bailiff: Deputy Dyke.

Deputy Dyke: Thank you, sir.

This is an interesting, late amendment. I think it is a very intelligent amendment. I suppose it is a shame we have not had this fed into the paper before we got it. But anyway here it is and it seems

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to me like a good idea. I have not seen the legal advice. I have not discussed this with Home, and I am nervous to counter what they say. Not just Home, but generally in this Assembly, we tend to be – in my view – slightly too risk-averse when it comes to the legal advice.

In the private sector, where you have got an issue on the contract, you advise your client that this is so, that is so, this is a bit of a problem, do you still want to do it, take a commercial decision and the client takes a commercial decision, with a bit of a nudge from you. In the States, here, I have noticed a tendency to look at the Comptroller and say, 'I want to know what the answer to this question is. Black and white. And if we do not get a clear black and white answer then we cannot do it.'

We are, I respectfully say, sometimes just too risk averse and I think the Procureur has made the point, I am not sure whether in this Assembly but in correspondence I have had with her on other matters, that because she says there might be a risk of something does not mean we cannot do it. We have to listen to what she has said and then make a commercial decision.

I just make that general point. Having made that general point and it is not focused on Home at all, I do think that this change from three to four does seem to be a good idea but I will await hearing from Deputy Prow before I decide to vote on it. The reason why it is a good idea, Deputy Oliver, Deputy Gollop, have both given that. So that is my input on the subject.

Thank you.

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The Bailiff: Deputy Inder.

Deputy Inder: Just briefly, sir.

We do have subject experts as officers. We have also got subject experts in the Assembly as well. Deputy Blin, who we have not heard from at the moment, is a recruiter by trade. Now if there is anyone who has been over this Brexit period, COVID period, who is going to have in amongst the weeds, finding, discovering what the problems are, it is going to be him.

So, along with Deputy de Sausmarez, probably Deputy Dyke as well, I think what will either get my vote or not get my vote is probably that discussion between what we will hear from Deputy Blin, the challenges that he thinks or the benefits of moving from three to four and possibly from Deputy Prow's response.

I am, much like anyone, I think Deputy Dyke has nailed it sometimes, there are not many parliaments I see where as soon as a decision gets difficult someone pops up and asks for Law Officers' advice and sometimes I tend to agree that it is almost sometimes there is no point us being here because if we take the Law Officer advice, that is the end of it and job done. As we saw yesterday, with the greatest respect to Law Officers, they can sometimes face both sides and not actually give a particularly emphatic view on anything. So in that regard I would not guarantee right now that this amendment has not got my support.

The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

I briefly read the response from Home Affairs last night when I got home and, like others, I was not totally convinced of its power in repudiating this amendment. But also I was not quite clear what the problem was. The problem was that if we went for four years then, conceivably, in a very few cases, somebody might put up against five years, at which point it is hard to get rid of them. Now was that a domestic concern, that these people then become permanent residents in Guernsey? In which case I think it is a very slim concern because, frankly, the jobs for which the STEPs tend to apply tend to be really modestly paid, it is really quite hard for those people to leak into the community because they are often in staff quarters, they are often in whatever. So that is not a great risk.

Or is the risk that is perceived by Home Affairs that we might aggravate the UK because of somebody coming from outside the Common Travel Area, good, qualify for permanence within the

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Common Travel Area, in which case, I think the UK are reasonable, by and large, reasonable and proportionate so what are the situations going to be here? Already the UK is in a Common Travel Area with another major country, of several million people, which has free movement from the whole of the European Union, which people can move into that country, gain permanency and then be able to travel to the UK.

Against that, and I know that is different because that is a sovereign nation and the two nations are choosing to be in a Common Travel Area. We are not, so we have to follow the UK's immigration policies and if we were wilfully providing a route where people became qualified and they could turn around and say, 'What the heck are you doing?', then I think big alarm bells would be going.

But would they be really so disproportionate to say that because we are allowing people to stay for four years, which is entirely legitimate, it does not bring with it a permanency where people can move to the UK, but there might just be some hard-to-conceive circumstances whether sort of appeals or whatever, that an issue might arise, pack your bags and go out of the Common Travel Area. I find that really hard to believe.

Now, if soundings have been taken by the External Relations Department or whatever, and that is a real risk and H.M. government has been flagging that up to us, then I will vote against this amendment. But I did not get that, really, coming through in the response. And against that theoretical and I think very minor risk on one side, trying to recruit people in hospitality, you know, they are as rare as hen's teeth.

To actually make somebody that wants to stay another year go when you are competing with other territories where there is no limit on how long they will stay, I am not saying they will all stay for four years, many of them would only want to come for a year or two, it is an experience, it is something on their CV to do and perhaps improve their English and whatever. But if you have got somebody that wants to stay and there is actually nothing in the UK immigration laws to say that they should not stay for four years, it does not get them right of permanent settlement, then my instinct is very strongly to go with this amendment, I have to say.

The Bailiff: Deputy Moakes.

Deputy Moakes: Thank you, sir.

This is another annoyingly late amendment but this one is doubly annoying, firstly because it is late but secondly because it raises a really good question and I would like to thank them – although it is late – for bringing this amendment because it will not surprise you, being on Economic Development, looking after our finance sector, I want to do everything we can to attract talent to the Island and to retain talent where we can.

Now, obviously, we have to work within the rules, as laid out, but I do not think we should do that to the detriment to employers and employees who would, under the current terms, have less time to be here than they would under what this amendment suggests and I think also Deputy Oliver raised an extremely good point, which is, if you bring anybody into a new job, there is a period of settling in time, getting to know people, getting to know processes. Some people go off to a flying start, other people it takes a bit longer. But if you know that you have a sell-by date, or your job has a sell-by date, you are not going to wait until the day before and then start applying for new positions. You are going to be doing it six months, possibly even a year before.

So if you look at the beginning, getting to know the company you have started to work for, and the end, preparing to leave, you are constantly cutting down the amount of time that that person is 100% effective. So if you could extend the term, which they could stay within an organisation, it is quite a considerable amount of additional time that they are working at full capacity for that local organisation on the Island.

I am in favour of this. There may be a technical or a legal reason where I have to say, whoops, I am in favour but it cannot happen, but unless there is I will be voting for this because, with every decision I make, I try and make – I might get it wrong sometimes – for the benefit of the people

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and the businesses of this Island and I think, unless as I say there is a technical or legal reason why it cannot happen, adding an extra year for employees and for businesses is a great thing.

Thank you.

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The Bailiff: Deputy Taylor.

Deputy Taylor: Thank you, sir.

I am going to start by agreeing with Deputy Moakes and I think Deputy Oliver, and I am agreeing with the point they made that this is a very good question that is being posed. It is a very good question. I would distance myself from them from this point in, though, and I distance myself from all the comments that I think have been raised, whilst seemingly valid points, they would have been much better raised in a different forum and that forum would have been better for this question to have been raised. That would have been at the presentation when the professionals were all around, that is immigration officers, that is population management administrators, the officers that really know how to do this.

All the points that have been put forward so far are very compelling. It is very hard to argue against them when you do not have a professional background in immigration or population management, and I do not have that background. I am very grateful that our President does have at least some commercial/professional experience in there. So it is a good question and it should have been raised – and apologies if it was raised, apologies to Deputy Gollop if he did raise it – at a presentation I was unable to attend. I do not think it was raised because I think if it had been raised he would not have laid this amendment.

It seems very attractive. I think that is generally the view so far. It is a simple amendment. We already, as Deputy Oliver has said, have policies that go to five years, the MTEPs. They are not really taken up. Now a key point here is that the MTEP, medium-term employment permit, was introduced before Brexit. That is a key point. So before Brexit, members of the EU, who were coming to work in Guernsey, whether that was on a short-term permit, medium-term permit or a long-term permit, had no visa requirements. They could turn up and they could apply for the permit and they could get their job, dependent on the skills they have and the level of the job, so to speak, would dictate the length of stay that they could be here.

That is also really important because, to pick up on a point that Deputy Trott made yesterday, 200 of the right people is better than 300 of the wrong people. And all these rules are here with the very simple aim of controlling what the people coming to the Island do and we are controlling what they do, because we can; it is not like the point that Deputy Inder raised when people get to the end of their life, retirement and we cannot compel them to do any job. He is absolutely right in saying that. But if they are coming into our Island to seek employment we have this opportunity to direct them to exactly where we need it.

Because if you removed all of it and it would be an absolutely attractive place to come and work in finance, earn loads of money, stay as long as you want and leave, but as has been highlighted previously, most of our requirements, we have a huge shortage of employees in hospitality, cleaning industries, but these are all roles that currently attract STEP and MTEP permits.

So what is the real problem here and will this amendment fix that problem? I do not think it will. Because at the moment, employers in hospitality, employers in construction and cleaning have the ability to apply for a medium-term permit but they are not.

Deputy Kazantseva-Miller: Point of correction, sir.

The Bailiff: Point of correction, Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: I think we are debating this in the context of the policy paper, which recommends that MTEPs disappear. They will not be available as a route for employment.

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The Bailiff: That is a comment, Deputy Kazantseva-Miller, that you could make when you come to speak. It is not really a point of correction. Deputy Taylor is simply advancing his opposition to Amendment 8, so Deputy Taylor to continue, please.

Deputy Taylor: Thank you, sir.

To clarify the point, if it was perhaps badly made, the current position until we take a vote to remove the MTEP, the MTEP is still in place. I do not think I am wrong in making that statement. It is still there and it is not being used. So whilst we are seeking here to add in up to four years, there is already a policy route that employers can take to do a STEP for one, two, three, four, five years, or in one swoop, depending on the role, they could do an application for MTEP at five years and they would have their dependents ... could come and move. The real difference is they combine five years in one go. They could have dependent relatives and they could live as a householder as opposed to a lodger, so to speak, or in shared housing.

970 **Deputy Oliver:** Point of correction, sir.

The Bailiff: Point of correction, Deputy Oliver.

Deputy Oliver: Sorry it took me a while but it was what Deputy Taylor said. The Population Management came in April 2017 and the vote on whether to leave the European Union was actually 26th June. So, when the Population Management came in, we knew the referendum had already voted for Brexit.

The Bailiff: Deputy Taylor.

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Deputy Taylor: Technically, I would say that is right, but if we knew on the day of the referendum exactly what all the implications were, we probably would not be facing the discussions we are facing today. So I do not really accept that.

Now, post-Brexit, Guernsey has more access to EU nationals. EU nationals that have come here before Brexit, they can have settled status, and they are a different discussion. It is a discussion that needs to be had. What will we do with them? They have come here. The immigration issues will not apply to them because they have settled status, they have the right to remain here from an immigration point of view. If we change the policy —

Deputy Blin: Point of correction, sir.

The Bailiff: Point of correction, Deputy Blin.

Deputy Blin: The EU members, only if they had settled status, had the right to be here. But all the others need a visa and all the other processes.

The Bailiff: Deputy Taylor.

Deputy Taylor: I do not dispute that but the point I am making is we have two issues. If someone is here and they have settled status, and we change from five to three, then we do create a bit of a problem because they have their immigration rights and the real reason this should not be supported is because of immigration.

We cannot allow them to stay to that five years, or the four-year, because it represents a risk at the five years, but if they already have, from an immigration point of view, the right to stay here, then that does not flag up. So what I am saying is we do still have a consideration for those people who are here, maybe on year three of a short-term employment permit, what we do with those? That is absolutely a consideration and those are skills that we have in the Island.

But we are talking about people who will be new to the Island and for those people who are coming new to the Island, why we should not be giving them four years to three years and it is really complicated. I am not doing a very good job – I can see Deputy Moakes is shaking his head; he is absolutely right to! – but it is very complicated.

Now if you are applying for a visa to the UK, officially you can apply for a one-year visa or you can apply for a three-year visa. Those are the only official routes that are open to us. You cannot apply for a five-year visa. You can extend your visa and you can extend it up to five years and then, once you have got to five years, you potentially have the right to apply to stay permanently in the UK.

Now, why is any of this relevant and I am struggling, I am really struggling here and it is probably coming across badly? If, at the moment we have the ability to offer jobs to people with settled status, and that is a lot of people – there are a lot of people in the EU who have settled status, there are huge amounts of employees already in Guernsey who have settled status – but it is not enough. Now what we do have as an option available to us is the rest of the world.

The rest of the world has infinitely more people than the EU and you can see that in businesses already. They are starting to employ people. They have had the option, over the last few years, through Brexit, through whatever, to keep employing these people, and they have not been able to. Regardless of three years, four years, five years, they have not been able to get their employees.

That is so key to all of this but we have the ability, without offending any immigration post-Brexit, to start welcoming the rest of world. I think there are countries that we have the ability to bring them in easier than we did before Brexit. But if we start playing around with this, so if we start allowing those people coming in from Africa somewhere, if they can come in and they can stay for four years, there is a potential then, at that four years, they can then be eeking out and getting close to the five-year immigration limit that gets them their UK right to stay permanently.

Now, I do not think the UK are going to let us have that as an option that allows anyone from around the world to come to Guernsey and work for five years, then move over to the UK. So that is why we have this red line and we should not be going anywhere near it. If we want to actually employ people and have people able to come to the Island, we should be voting down this. Otherwise, we run the risk of losing the ability to invite or the opportunity to employ people from all around the world and we will be stuck with just getting people on our domestic market who do not necessarily want to come and work here anyway.

Now, I think I have done a terrible job of convincing anyone! Looking around, you are all shaking your heads and I think what is really important, and I have to be completely honest, I have done a terrible job of convincing you not to vote for this and that is exactly the reason why you should not be voting for this! (*Laughter*) Because none of us fully understand this.

Deputy Kazantseva-Miller, the proposer of the amendments yesterday, you might want to refer to her, does not understand this. That was demonstrated yesterday. I do not fully understand it enough to convince you not to vote for it. It is an amendment that should not have been made because it is directly affecting policy in a way that we are advised we should not and we have not even enough time to really sit down with officers. There are emails going backwards and forwards, to immigration officials, to population management officials, who are trying to pull out the information, and it is very difficult. But their overwhelming advice is that this should be voted out.

So if you think you know more than me – because I do not know a lot – but none of us do ... So my argument might be terrible but the arguments you are putting forward are equally terrible. Because none of us really know. We have not really got the solid information to make this decision so it is best to just say no.

Thank you.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Well, that was an extraordinary contribution from my colleague Deputy Taylor. I think he said no one in this Assembly, basically, understands anything, so we should

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not be voting for anything; which I guess would also imply the Members of Home Affairs are in that camp. But anyway, I am going to go down to what I would like to say.

I accept we are all not experts but I look at the numbers and I will share some of the numbers and I went into great length yesterday, trying to really explain the challenges that we will continue to have and actually they will become more significant because of the changes recommended, specifically for that category of short-term employment permit holders, because we are looking to reduce the number of years.

Deputy de Sausmarez has asked Deputy Blin to give examples of what it means. Well, it is very simple. You could keep a person for five years, or now you can only keep them for three. That means you need to hire a new person every three years. That increases your churn by 40%. That is what the example is about.

What does it mean, increasing your churn of your workforce by 40%? What does it mean in your cost of travel, of retention, of training people, of the culture you are able to generate? They are huge costs to the business and this is what the Assembly has to understand. That is the cost to the business and we are making it more difficult. What does it mean in terms of numbers?

So, if you look at the number of permits for 2021 and based on what the current expectation from this policy is, is that 75% of MTEPs will move to the current STEP list; 75%. Twenty-five per cent – approximately; something might change – will move to the STEP list. So based on the number of permits given last year, the numbers to me say that 64% of all permits we will be giving out, so that is more than now, will be STEPs.

That is the vast majority of permits we are giving. So for the vast majority of permits we are giving, we are forcing businesses to hire those people for three years instead of five. Forty per cent increase in churn for 64% of permits. That is huge. The costs of this to business are huge. The instability, the increased challenge of hiring, absolutely huge. This is what I tried to relay through the amendments and the levers we could have while accessing CTA etc., is exactly trying to address that issue.

Deputy Taylor said the MTEPs are not taken. Well last year, January to November, 368 permits were taken. That is not far off the number of LTEPs that were taken. So I really question the knowledge of actually the numbers and opinion currently in the employment permit system. He also mentioned that the policy proposals are going to make it easier to recruit from the rest of the world. Yes, absolutely, I think that is good news.

However, recruiting from the rest of the world, recruiting from the Philippines rather than recruiting from France or Jersey, I am sorry, the cost of that is much more significant. There are potential language differences, cultural. It is much more difficult and costly to recruit from far abroad. So while it will be easier it does not replace the ease with which we could recruit from the EU.

So, really, it was all about the red line of five years. This is what Deputy de Sausmarez was saying, this is all about your risk appetite. If we want to really not cross the red line, well let us keep all those permits at just one-year and that is it, then you will never cross that red line. So this is all really about the risk-adjusted management of this regime. And given how, and I say it again, challenging it is for those businesses to be recruiting on short-term employment permits – I appreciate Deputy Moakes stood and said he was looking after finance; finance are not really the beneficiaries of STEPs, really this has nothing to do with finance. There are marginal numbers of people who get STEPs in finance.

Really, the industries that are on their knees are nothing to do with finance. It is hospitality, it is cleaning. It is even digital because – I shared the numbers last time – the bulk of permits was in short-term and medium-term for digital roles. It is extraordinary. So, again, let us try to make it easier. Let us try to do everything we can to make it just a little bit easier for businesses to employ people and I think it is completely reasonable for Deputies Gollop and Blin to bring this amendment. They are not giving you the employment rights for five years. It is kind of to what we have half-way through.

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I wholeheartedly support this amendment because at least it helps a little bit in the direction of travel for those industries that are forced to be employing people on short-term permits, only, which, as I say again, will continue being the bulk of permits given, going forward.

The Bailiff: Deputy Vermeulen.

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Deputy Vermeulen: Thank you, sir.

I said yesterday, a little knowledge can sometimes be a dangerous thing. Now, Deputy Taylor mentioned that we do not perhaps have the knowledge of what is going on, nobody has the knowledge in this Assembly. Well, I do not know, sir, I am happy to sit down and do an IQ test with the rest of my colleagues. That might prove some point, I do not know. What I can talk from though is experience as a hotelier, an operator, for 43 years. I can talk about that, sir, until the cows come home. But I am not going to today.

Now, my colleague who sits with me on Economic Development, mentioned that the majority of permits issued are short-term permits. Now that is for a very good reason but it is how you assimilate that information. I can understand that people might not actually get this but the real point is all hoteliers, myself included, wanted steady staff, they wanted staff to stay with them as long as they could. We built beautiful Open Market accommodation so people could stay with us, they could have a career in that position. That is what I thought we needed. That is what I thought we would want. What we actually got towards the end is if you would apply for a permit for a waiter, for short-term, for one-year, you would end up filling that one position three times.

So, by its very nature, waiting on tables, as much as everybody wants people to stay as long as possible, it is often a short-term thing, sir. People will do it before they go to university to earn a little bit of money. A lot of people see it as short-term employment to fill needs. We try desperately to recruit staff locally, part-time staff; there was not really too much interest in that and that is why it is in policy, waiters you can go up to three years, there is an extra cost, £600-odd, to that. But you would, despite wanting them to stay longer, the reality of the situation, sir, is that those waiters generally do not. They sometimes move around, quite often they want to go back home. They get homesick very quickly.

The Island is very small, it is only three miles by nine miles, it has not got any bigger. It is not for everyone. Some people loved it and I still smile when I see people that I employed years and years ago still on the Island doing valuable jobs, not as waiters, but now they have moved up into finance. Now, with their two degrees they had when they were working at the bar for me, they have utilised that and gone into finance and I am very pleased that they have, sir.

A lot of people would come over, and people would say, 'Why is he here, Mr Simon? What is he running away from? A lot of people are here to hide.' And this sort of thing. A lot of people came over here to learn English as a second language and with the customer interaction it was a great place to master your English.

That happened too with receptionists. I still see receptionists I employed in the Island, even working in Guernsey financial services, and I am pleased they are here. So, although it is limiting, the immigration system has let people remain on-Island as they have upskilled.

In France and in Spain, I will go into some of the finest restaurants and I will see a waiter in his fifties, in his sixties, that has made a career, and they are so polished, they are so good. But they have spent their whole life working in that one position. We do not get that in Guernsey. We just do not get it. I think Spain and France are very different countries. They love food. They love wine. They love cheese, and why not? But that is what actually happens out there.

Now, I do not think it is right for us to blame everything on the immigration system and what we are putting here, because it is a pretty well-thought-out thing. If this amendment is successful, does it make it any better? I do not think it is going to, unfortunately. It is not going to make it better.

One thing I did not mention yesterday when I was talking about the limiting factors of people coming or wanting to come to Guernsey, wanting to remain and stay and work and contribute for

Guernsey's economy, one other thing that is putting off people across all aspects, particularly finance, and it is a new problem that has come around, is that they cannot find the accommodation.

Now, not so long ago, we were talking about a housing emergency, a shortage of housing. There are no units of accommodation for people to come and stay. Not so with restaurants and many places do have their own accommodation. They are not caught in that trap. Now I know if we put in for a four-year licence to the UK, it would be a no. Therefore, one of those short-term roles, it would be rejected. That is probably why it is at three years.

But there are pathways that enable people to move on and I would see fantastic staff come and work at our hotel and you would spot them immediately. They would be the ones that would walk up to the customer and they would know their client. They would get to know them, 'Ah, Mr Boss. Pint of beer and you want the curry again?' 'How did you know that?' 'It is what you always ordered, lovely to see you again.' Vital to get that sort of thing if you can develop it. Those people would pretty quickly become assistant restaurant managers and restaurant managers and they would be on that ladder of succession, which our policy, which we are putting forward, does permit.

So, to sum up, we do not live in a perfect world. Guernsey is a beautiful place. It is a paradise. It is a lovely place to come and work in. A lot of people see it as a short-term. A few people want to stay a bit longer and they would be very welcome to contribute. But I am not going to support this amendment because it is not going to work. The reality of the situation is it will not achieve what it sets out to achieve. Great on paper, rubbish in theory. I am only speaking from my 43 years' experience and I am only speaking from the experience that I have from working on Home. And there we do have experts.

Now they do not like a late amendment such as this because it has not given them the time to get the legal advice to balance it all up, to have the discussions with, perhaps, people in the trade, such as I used to once be. So I can only give you that experience that I have picked up. So when you look at the short-term, bear in mind you might be filling that same role three times, even five times. Bear in mind a restaurant, every time they lose a member of staff to another restaurant, they have to replace that member of staff and that is another permit. So it is constant churn that is going on.

Even expanding it to four years, that the UK will not give us, even if they could give it to us, which they will not, it would not fix the situation. So I will not support it and I would advise Members to perhaps think that Home might have a very valid point, with their experiences of having visas rejected in the past.

Thank you, sir.

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The Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, sir.

I will be supporting this amendment and I thank Deputy Gollop for bringing it and for his very comprehensive explanation of why it might be a good idea. Now my impression of why we have short-term permits and why we have limits on them had always been that the Island was concerned that, if people were allowed to have a continuous stay for sufficient length of time that they would then acquire residency rights. The exact point at which that would happen was never completely known. It depends on various judgments and these can change and something might change, there might be something else that comes to the European Court of Human Rights and it might change tomorrow.

I will need some convincing that the reason why it is currently being set at three and not four is anything other than just a rule of thumb that just says, 'We are allowing a little margin of error and that will help us to make sure that it does not get up to five years or six years ...' or whatever limit it is that had been thought might be a concern. I do not think that this is the time, really, to be cautious about that.

I will give way to Deputy Taylor if he promises to make it fairly brief!

Deputy Taylor: Sir, I will be very brief and it is to the question that Deputy Matthews asked about why is there concern around five years? I am just going to read again, from the gov.uk skilled worker visa:

After five years you may be eligible to apply to settle permanently.

That is where the risk comes.

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Deputy Matthews: Yes, thank you, Deputy Taylor.

The question I was asking was not why is it, not five years, why is it three years and not four? I think that the only real explanation for it, unless I can be provided with a more comprehensive explanation, the only real explanation is that it is just providing a bit of margin of safety and a bit of room for manoeuvre and I do not think this is the time to be doing it.

We have set a population policy that calls for – I will give way to Deputy Prow.

Deputy Prow: I thank Deputy Matthews for giving way. The problem is we are not the subject matter experts and we are discussing a very complex issue. Just one point around what you are saying, is that the UK visas are issued for one year and then renewed. Now, for the lower-skilled labour, they are not renewed beyond three years. There are some circumstances where a visa can be renewed beyond three years so it is not an easy argument to make.

We are making, with the greatest respect, simplistic points. So I will just go over this again. A UK visa, or a visa issued on our behalf, is issued for a year, then renewed and renewed up to three years. In the case of the UK, a lot of what we are referring to as short-term permits are not renewed and then we start to cross a red line that we had a massive discussion about and I had hoped that the points had been made.

I hope that is helpful; thank you.

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Deputy Matthews: Thank you, Deputy Prow.

It is a little helpful but I would think that its position in a policy paper, if there were to be in some circumstances red lines that would come back, I am sure that Deputy Prow's Committee would be able to work around that in the proposal.

I think that in terms of -

I give way again, sir.

Deputy Prow: Sorry, I am really grateful for you giving way.

This is complicated. The problem with this amendment is that we cannot come back with a detailed proposal to you, which the subject matter experts have delved into, where the Law Officers of the Crown have given advice, because it is emphatic. It says crash, bang, wallop, replace three with four. That is the problem. This is why Deputy Taylor made a fantastic effort at trying to explain it but this is why it is so difficult. The Committee *for* Home Affairs cannot come back to the Assembly because the Proposition will have directed us to replace three with four, without the full explanation, without the subject matter experts, without the Law Officers of the Crown delving into this and looking into it. This is why, in my view, sir, it is a bad amendment and again I hope that helps.

Deputy Matthews: Thank you, it does help.

But I would like the Committee to look at how it could be replaced with four and I do appreciate that that may present some difficulties but I think it is a very worthwhile thing to look at and I would like that to be looked at.

Thank you.

The Bailiff: Deputy Queripel.

Deputy Queripel: Sir, thank you.

I listened very closely to Deputy Taylor's speech on my radio, when I was outside the Chamber, and I completely resonate with the essence of his message, which was when in doubt leave it out, which is what I said when I spoke on an amendment yesterday. Now, as with every amendment, and the vast majority of policy letters, except the excellent policy letter that was laid by Home Affairs in a recent debate, we are not told what H.M. Procureur said when this amendment was presented to them, and Deputy Gollop did not tell us that in his opening speech. So, I ask Deputy Blin, when he responds, please to tell us what H.M. Procureur said, because I think we really need to know that.

Thank you, sir.

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The Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, sir.

This, once again, is the challenge with late amendments, which of course has been pointed out to us by the Committee *for* Home Affairs in their advice overnight to us. Having said that, of course, they supported the last late amendment, so they are not necessarily consistent in their own view in relation to how to address such matters. But that is of course the reason that the Rules are here, although of course, as you have said, sir, this is within the Rules, that it be laid during the debate and no suspension of the Rules has been required.

I have listened to Deputy Inder and Deputy Moakes and indeed Deputy Dyke and others, focusing on the potential opportunity and benefit to the economy and business if this amendment is adopted. I think Deputy Prow, in his intervention just now, has made a very good point that – crash, bang, wallop, I think was his phrase – it is a direct change to the Proposition. It is not, as in some of the other amendments we have faced, a direction for the Committee to go away and look at options.

I think the reality, again the *realpolitik* of how this would play out if this amendment does succeed is that the Committee, who are clearly opposed as has been expressed very clearly by all the Committee who have spoken, together with the subject matter experts, will trot off to the Home Office, under whoever happens to be the Secretary of State that day (*Laughter*) saying, 'We have been directed to make this change but we do not really want to do it and it is not going to work anyway, is it?' To which the Home Office will dutifully say, 'We do not like it, go back and tell them.' And the Committee would probably have to come back with a policy letter to change the direction or when the legislation is presented they will have to seek a change at that point.

So, we will probably waste an awful lot of time. Having said all of that, I think as Deputy – I think it was – de Sausmarez may have said, forgive me if I have misattributed the comment, but actually given the state of our economy, our population in the context of which this debate is taking place, we ought to be pushing the boundaries absolutely and I think this is probably Deputy Moakes' point, as far as we can, to the boundaries.

So whether three years really is the red line, and this is perhaps where I have objected to the Committee *for* Home Affairs' advice all along is they have presented this as very black and white advice, even though they have then admitted that, (a) they do not particularly –

I will give way to Deputy Roffey, sir.

Deputy Roffey: Thank you.

I wonder if Deputy St Pier would agree with me that this is yet another consequence of merging immigration policy with population policy in the sense that people applying for short-term employment permits could be from Kenya or could be from Kent and we are being told that we have to limit the amount of time people from Kent can stay on a short-term permit, as a waiter, because of the risks to the immigration policy of the UK, if somebody from Kenya was treated in that way?

Deputy St Pier: Yes, I do agree with that comment. That is one of the complications and, of course, so much of this does flow from Brexit that, of course, the people of Guernsey, in this Assembly, are policy takers rather than policy makers, in consequence. But I think Deputy Taylor's speech was revealing in its candour, the fact that he did not really understand what was going on with the complexity of this and so it does mean that ultimately we will be led by the subject matter experts.

I think others who have sought the advice of H.M. Comptroller on this point and indeed reaffirmation of the comments, which the Committee *for* Home Affairs have put in their advice to us, I think that would be helpful. So I am genuinely left in a dilemma on this because I do not like late amendments, the Committee does not happen to like this particular late amendment but they have supported other late amendments. I think, ultimately –

I will give way to Deputy Taylor, sir.

Deputy Taylor: Sir, I am very grateful to Deputy St Pier for giving way.

I wonder if he would just concede that the late amendment that was supported by certain Members of Home Affairs – that being the amendment from Deputies Brouard and Ferbrache – does not have quite the same potential consequences or impact on the real content of the policy letter, or the operational duties of Home Affairs?

Deputy St Pier: I absolutely do concede that but that amendment will have unintended consequences in terms of the resources, particularly for the Committee *for* Health & Social Care's officers in the same way, actually, as potentially this amendment would in terms of the additional work that would be required.

So I have kind of gone around, perhaps a little bit like Deputy Taylor, in circles, on this and perhaps leave Members with no clarity as to what my position is and it is one of those ones where perhaps we have to wait and see when we get to the vote. But I think it has perhaps been prompted by the fact that the amendment is late.

I think ultimately, dealing with the consequences of this, which will likely be advice from the Committee after further research, further legal advice, is not to change the position –

I will give way to Deputy Moakes.

Deputy Moakes: Thank you, I appreciate that.

The reason I wanted to come back was I said exactly what you said I said earlier on, which was three years/four years, four years certainly sounds better from an employer/employee perspective and I said it sounds a very compelling case, very compelling amendment, which it does.

And I said what would drive me in the decision-making would be, is there a legal reason we cannot do it? Is there a technical reason we cannot do it? I have been waiting and listening for Home to come back and give us reasons and explanations why that may be a problem and I think Deputy St Pier has just encapsulated the whole issue here, which is we have suddenly had this huge decision placed upon us and we really do not have the time to debate it properly and the more people that have spoken today the more that has become abundantly clear.

I think we would all probably agree – perhaps not everybody, most people, let us say – would agree that four years has got to be better than three years, but we are now being told by Home that there are very good reasons why we cannot do that, i.e. the UK might not allow it. I do not know because we have not had a chance to debate this properly, so if I say let us go ahead with four years and then suddenly we are slapped down and told, 'you cannot do that; that is completely wrong,' we are in trouble.

If we go along with three, which we know is okay, I do not see any reason why four could not be investigated at some point, come back and if it is okay, meets the rules, is legal, etc., implement it. I would rather start with something and then implement something better, than start something that sounds better only to have to backtrack and, apart from looking stupid and foolish, create chaos.

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So I said I would listen, I have listened. The whole purpose of the debate is to come in and not be single-mindedly focused on the same decision and, whilst four years sounds brilliant, I will actually be voting against the amendment because I think we need to be a little bit careful here, put something in place that has already been agreed and then perhaps look at four years at a later point, without having the pressure of a debate.

Thank you.

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Deputy St Pier: I am actually grateful to Deputy Moakes for that intervention because I think it is a very useful one. Actually, as he was speaking I was just overhearing Deputy Gollop saying, 'Perhaps three-and-a-half years ...' (*Laughter.*) Perhaps three years, nine months would be the right answer. Who knows.

But I actually think that Deputy Moakes has perhaps hit on a route through this amendment and I wonder whether the President might consider this when he responds to the debate, which would be for him to give an undertaking that his Committee will perhaps, having had the opportunity, which they have not had because of the late presentation of this amendment, to look at the issues a bit more and provide Members with further advice.

It will be necessary that this comes back to the Assembly anyway, for the legislation to be approved, and I think in that intervening period, for the Committee and its subject matter experts and Deputy Taylor to get their heads around the issues, would perhaps benefit us all and I think that might be a route through, from which all Members might benefit. So, I will perhaps ask Deputy Prow to give that consideration and that might help some of us decide where we may eventually fall on this particular amendment.

Thank you, sir.

The Bailiff: I will now turn to Deputy Prow, as the President of the Committee *for* Home Affairs to speak on the amendment, please. Deputy Prow.

Deputy Prow: Thank you, Mr Bailiff.

I will certainly try. Okay, I think there are a considerable number of points that I need to consider. I will start actually again with Deputy St Pier's very helpful speech. It has become clear in debating this amendment that we really are trying to make policy on the hoof on the floor of the Assembly. We are not the subject matter experts. I did work for the Border Agency for a mere 43 years, every rank I think, of which immigration was a great part. (**Deputy Inder:** Chief.) I did end up chief, yes, Deputy Inder.

I do know a considerable amount about immigration and you might have seen my face twist and turn with desperation as this debate continued. I am out of that particular role for some 10 years, so I am not going to profess to be an immigration expert any more. What I do now, sir, is I listen to the subject matter experts and one of the themes throughout this policy letter, which has pretty much received universal praise, is a way to help business get the people that they need to fill the skill shortages and, in doing that, we very much understand and try to explain that the two purposes, the population management has a domestic purpose but there is an overarching immigration issue.

What Deputy St Pier, and actually very helpfully with the intervention of Deputy Moakes, where I completely agree with them is this is not the right place and the right forum to be looking at what is an issue that might seem a good idea. Right up front, I very much thank him for his suggestion that an undertaking that we will go away and we will research this in an objective way and see, depending how the Propositions fall out of this, come back and give a proper, detailed explanation with the subject matter experts, the views of business, with the Law Officers' advice. It is simply impossible for me to do that today.

This is where, and I do believe there is a difference and Deputy Taylor has outlined it, there is a difference between the late amendment that was successful and this one. I used the expression it is

crash, bang, wallop. It is emphatic. It is asking us this day, today, to change Proposition 10 and what is contained in that to replace three with four.

I urge Deputies not to do that and I take the suggestion, the very good suggestion of Deputy St Pier, very seriously and I give that undertaking. Of course, as I said before, Deputy Moakes' intervention I think added to what Deputy St Pier eloquently said. Actually, I will lead onto something else Deputy Moakes said.

He spoke around succession planning and I just want to add something to what he said. For short-term permits are short-term permits and the point that Deputy Roffey has made quite powerfully is around net migration and in relation to the workforce. So this is about bringing in those people that we need to come and either fill highly professional skills or, where there is a labour shortage, we need people to do that work.

The short-term permit is a tool in that box. Whatever happens, a short-term permit is a short-term permit. Within the cabinet, I am not going to rehearse everything it says in the policy letter, a short-term permit, at some time you have to go. So your succession planning point, is it three years or four years? The whole point is it is a short-term permit. Are you asking somebody to move on after three years or are you going to ask them to move on after four?

So, I bring that back to Deputy Moakes' point around business has got to think about whether if you employ people on a short-term basis that they are going to churn, to use Deputy Kazantseva-Miller's expression, and it is to manage it. But the whole thrust of this policy letter is to make that process better for business in the sense that you have one application process, which deals with the two different distinct legal routes that you have to go through, which is the overarching immigration one and I am calling it the domestic population management.

Deputy Taylor, I thank him for putting himself up and speaking on behalf of the Committee. I think that the most powerful point he made was at the end: look, this is extremely complicated. Let us take the issue and Deputy Roffey has raised this. I have to say, through you sir, Deputy Roffey has got his head around this. He understands the question of the red line. He also understands the question of the alignment and the attempt for business to align population management and immigration.

But it is very complex and to give ... today, there have been emails flying backwards and forwards trying to assist Members of Home Affairs in this. The best answer I can give to Deputy Roffey's question is in many cases the UK visa application process, which creates this red line in the CTA, the visa is issued for a year and then renewed year on year up to three years and then it is not renewed.

So this is where one aspect of the three years comes in and this is where we go back to the risk of offending the rules in the CTA. Deputy Roffey has said, okay, is this the proper way to go? I think the suggestion from Deputy St Pier, we understand, Deputy Gollop in his opening, we completely understand the pressures on business and their concerns and I think the answer is for me, as President, and the Committee *for* Home Affairs having listened to this debate to go and do some further work.

So, there is the advice in the very limited – I give way to Deputy Dyke.

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Deputy Dyke: I thank Deputy Prow for giving way.

I think I am convinced by his arguments that we probably should not vote for this amendment. In doing his research and follow up though, could he deal with, not necessarily now, could he deal with the point that I think Deputy Roffey was getting at. I think we understand the red line insofar as it applies to the guy from Kenya, do we actually have to use the same red lines for the guy from Kent? As I say, I do not need an answer now, I will vote against this amendment.

Deputy Prow: I thank Deputy Dyke and I am trying to make progress and I will take up his offer to consider that.

Yes, we have the advice. All I would say is this advice is, short notice amendment, far-reaching amendment, and that is the advice that subject matter experts have given. You have not really got

a view of the Committee *for* Home Affairs because we have not had a chance to discuss it. Although, and I think Deputy Inder made the point, this was considered in the review. Certainly, the arguments for the three years were put forward and listened to in the review, of which Deputy Roffey was party to, as was Deputy de Sausmarez. So I think, sir, I have said enough, so I will sit down.

Thank you, sir.

The Bailiff: And I understand that the seconder of the amendment, Deputy Blin, will reply to the debate. So Deputy Blin, please.

Deputy Blin: Thank you, sir.

I did not have the chance to speak but I appreciate Deputy de Sausmarez's *carte blanche* so I can actually explain some of the reasons for the amendment I can add in there. I would like to start off by thanking Deputy Gollop. This whole thing, and I would like to explain that nor do I like lateminute or last-minute amendments, especially if it is –

I will give way to Deputy Roffey.

Deputy Roffey: I thank Deputy Blin for giving way.

On the basis that he does not like last-minute amendments and picking up the mood of the Assembly, would it be advisable, possibly, now to pull this amendment on the basis of the strength of the promise from Home Affairs to investigate this matter and to report back with detailed arguments about whether or not it could be done?

Deputy Blin: Sir, is that for me to respond to, was it opinion or was there something that he is asking to be voted on? Continue? I am not sure.

The Bailiff: It was a give way interjection, Deputy Blin. It is up to you as to what you do then.

Deputy Blin: Okay.

I have been very supportive of the Committee *for* Home Affairs and all the work going on here and there is part of me that says that this would be a suitable format. However, I was just looking up at the online a few seconds ago on the discriminatory amendment rejected, where the Procureur says it would not have been unlawful. This is where sometimes we go through everything there, we check for the advice, we receive some advice but maybe the advice by the Committee is different to the advice by people laying the amendment. So I am just slightly in a turmoil because I appreciate ... and I did ask H.M. Procureur for information on this and again the answer is it remains supported by what was said by the Committee's advice and I would like to read that.

A maximum of four years for STEPs would appear to avoid the red line of settlement rights by ensuring that no one living in Guernsey on the basis of an STEP could accrue five years.

That is my working part. It does say it does not overstep. It is there; it is in blue and white. However, also, I will respectfully add that the subject matter experts said that it was clear that a period of four years could still heighten certain risks, for example an increased risk that any extension in time closer to five years will increase an individual's integration into the community, which in turn is likely to increase risks in respect of, for example, an Article 8 individual's right of being engaged.

So, I could read like anybody else, I do not have maybe the sort of legal eyes of certain of our Deputy Members, but when you read that, as I have just read to you, it does leave that gap. It is not saying it is impossible, it is saying it is there. However, I still take on board what Deputy Roffey is saying and the Minister of Home Affairs.

So the point is this, there have been other amendments where after, and I believe maybe Deputy Oliver might consider stepping in, but situations where maybe an amendment has been passed but

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it has not been possible for the Law Office or whatever to accept is, that is a case ... if an interruption does happen that will be appreciated.

I give way! (Laughter)

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Deputy Oliver: I feel like I have been bullied a bit here!

I suppose you could say the last amendment on for mine and Deputy Ferbrache, it is not possible to do at the moment, we would have to wait for the Review but people did vote for it.

Deputy Blin: Thank you, Deputy Oliver.

That was the sort of point. If this was wrong, I would be the last person to stand in the way and the example that Deputy St Pier gave was exactly that, that if it is deemed or it cannot work, it would be stopped. However, we have to take the action as well of being responsible to our Island community and businesses as well.

So what does it mean? I believe Deputy de Sausmarez asked me, or gave me the sort of the option to explain, what does it mean this three or four years, it is only a year? Well, let us start off with the facts and we started off with a brilliant, in my opinion, a brilliant Population Management policy in 2017, which had the one-year STEP, it had the five-year and it had the eight-year. That one-year STEP, I would like to clarify a little bit more about it and why I feel so strongly that this could make a difference.

On the one-year STEP, it can be renewed, there is a cost but it can be renewed every year, so into a second year, and a third year and a fourth year and a fifth year and nothing further. So it is one plus one plus one plus one plus one. Why do I say that? Because it sounds to me like a five-year but it is not, it is a one year at a time. And there is another point which is really important to note. That one year does not allow the individual to bring in any dependents or any other people on the Island, whereas a five-year has the right to bring dependents.

So from Guernsey PLC, Guernsey business, it is actually protecting. We want, we always state that we want, to have the right people here for the right roles. Now, sometimes the right roles are not some of the amazing, sort of top level LTEP roles, etc. Some of these roles are very basic roles. Foot soldiers, the KPs. Oh, and by the way, those saying people who do those foot soldier roles for the one year, they were the same ones who were then part-time working, cleaning and doing other things to supplement their money but helping our economy.

Deputy Haskins: Point of order, sir.

The Bailiff: Point of order, Deputy Haskins.

Deputy Haskins: Sir, I believe it is 17(4) where I think new arguments are being made.

The Bailiff: I am going to allow Deputy Blin more latitude than I would do normally because, as he has indicated, he did not speak in the debate, whereas if a proposer of a matter replies to it they have already made their arguments to start with. There is an argument that if he had continued standing up – and he did stand at one stage during debate, but he then did not stand again – I would have called him and he would still have been able to reply to the debate because the Rule about only speaking twice is for the person who replies to the debate. That is a fair enough point but I am going to give the latitude because I am going to give him the opportunity to make the arguments he would have made if he had made those in debate, as well as to reply to it.

Deputy Blin to continue, please.

Deputy Blin: Thank you, sir, and actually thank you very much, that is very helpful. I was not aware of that Rule of the speaking twice, sir. So thank you, to you. Also, I was responding to the question from Deputy de Sausmarez.

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So just to get back to the point, we will get back on track, it was on the one-year where they work in other areas as well and let us also remind ourselves of the fact that during the pandemic we were in this very tough situation and Home Affairs were outstanding in what they did. They allowed the people who had come to the termination of their one-year licences to remain on-Island. Now not only was it good from one point of government did to help businesses and people but actually the reality is we need those people. We always all clapped and praised for the nursing and the healthcare workers and actually we all praised, maybe not to the same extent, but also for the hospitality and the other works because there they were, workers being supported.

I would really ask of the President of the Committee *for* Home Affairs, or any of the Members as well, in the point to ask about how many people abused that? Because at the end of the day, and I believe it was Deputy Roffey, I hope it was Deputy Roffey, I believe said this, that it is about reasonableness. It does sound very familiar to another amendment, but it is about reasonableness, is what would the UK government see if it helped Guernsey to move from three years to the four years, because each year is renewable.

Now, I have noticed throughout all the arguments and I will very specifically refer to Deputy Taylor, which I think was hugely honest in his explanation of his understanding of it, but he did make a couple of other observations that we are not subject matter experts and that is correct. Deputy Taylor: no subject matter experts within the Assembly. We have the President of the Committee *for* Home Affairs, who admits that he does listen to – some other experts, thank you, Deputy Vermeulen – but the point is this, that we may not be the experts but if we have studied our case carefully and we have understood, and I do believe Deputy Taylor has – I will come back to him on this – he has got the understanding and he sits on the right Committees.

But I am going to tell you the other aspect of this, is that when you are on the ground and running small businesses or larger businesses and particularly in hospitality, I would like to go to the points that have been raised by Deputy Oliver and a couple of others about the importance and costs of this three to four years.

So, number one, I am just going to have a few little pointers. They are very short but it will give you an understanding of what it costs. You have since Brexit, and since the difficulty of bringing in staff from the UK, CTA or overseas, a typical cost is what? Recruitment. Now I will stand, I think and if it is not too late or I should not do it, but through you, sir, I should say I have a sort of interest to declare that I own two recruitment firms, sectors, and have been a restaurateur and a barman in the past. So I have got this interest, so I know what the costs involved are in these things.

I also have to explain the salaries because we all, I think we all believe in this Assembly, that we should increase minimum wage etc., to make the cost of living easier and better. But I also have to understand the world has changed. It is not about 60 hours a week like it was in the past, etc., for hospitality. It is about technology and using lesser hours and developing so we bring things down. We want the right people.

So the costs – what else? There is an employment permit, exactly what we are talking about. There is a visa cost. There is a travel cost. And when Deputy Taylor spoke about, well, if we are struggling in this area, at least we can bring people in from overseas, etc., I will give you an indication, somewhere between £1,000 and £2,000 on a person who is making several hundred pounds a week, on top of the visa, on top of a POEA. If any of you are aware of this one and maybe would be with Home Affairs, but it is an employment overseas permit and it applies to countries such as Philippines. So they had to have this additional cover and insurance there.

Now, what does all that mean? Now it has been clearly stated about we do not stay here for a minimum –

I will give way to Deputy Vermeulen.

Deputy Vermeulen: I am very grateful for you to give way to me, but you omitted your commission charge as an employment agency, which could be, I do not know, 10%-15% of the annual salary. You omitted that as well in the costs. Just reminding you.

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STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

Deputy Blin: Thank you. I thought I had mentioned that. No? There is a recruitment fee.

Deputy Queripel: Sir, point of order.

The Bailiff: Point of order, Deputy Queripel.

Deputy Queripel: Rule 17(1), sir.

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The Bailiff: Is that a point of order in relation to Deputy Vermeulen's interjection?

Deputy Queripel: Sir, it clearly states any exchange goes through the Chair.

The Bailiff: I understand that, Deputy Queripel, but it is only the Member who is speaking, so it is Deputy Blin, against whom the point of order can be made but I will take the pause, if I can call it that, as an opportunity to remind all Members of the effect of Rule 17(1) and there should be no direct reference across the floor of the Chamber or from the bench downwards.

Deputy Blin to continue, please.

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Deputy Blin: Thank you, sir.

So all these costs arise, which come to the thousands of pounds to get this person and the months it takes to get them. They have to prepare a season ahead so then we come to the point where, when they arrive, they have to go through the initiation and the training and this takes a while as well. Then sometimes it works. If it does not work, well then we have the additional cost of all the changes there.

So this is the long point and, as I say, I will refer back again to Deputy Oliver's comment of the time when you probably leave your job. So this one year, for a business, makes a huge difference. It is, I suppose the calculation of amortisation, it is the cost in against the cost out over time. Three years or four years.

The point we are trying to make is that the four years to the five years and, as I read in the notes from the response, it does not say it is impossible, it just says, just quoting one last time:

A maximum of four years for STEPs would appear to avoid the red line of settlement.

So, this is the point. Why don't we try to help the businesses and offer that support? Then, if something comes up from the Law Officers above after, I can understand the situation. But why is it that this is such a risk-averse policy and we accept that and we agree with that in there. That is not how we work in business always.

Sometimes we may be risk averse but we should also look at doing the best we can if it is going to help the businesses. I would also like to point out that throughout the whole of the last days of this debate, I have tried my hardest looking at various amendments, mostly by Deputy Kazantseva-Miller and Deputy Soulsby and other Deputies there, I have tried my best to find any angles to help those businesses through and this is one I am trying to see, which is a small practical one; and if I find from Deputy Prow or from the Law Officers this is absolutely illegal then of course we would not support it but if we do not make that decision to push forward it would not be.

Now I am going to try to keep this short, this is kind of part of the presentation I would have made. So I am just going to run through some of the points. Deputy Oliver, as I have already mentioned, her points. Deputy de Sausmarez, the benefits of extending and I have tried to relay some of those points.

I understand Deputy Dyke's point and exactly what he says I agree with. But if you look at the *Bailiwick Express* comments from yesterday on another amendment and these changes, if it is going to go wrong, which I would never wished it to support if it was really going to knock our membership of CTA or some other dire consequence, then we would find out. But unless we kind of authorise

and instruct and ask to go and look at something, which will make a difference, it is the only way, and this vote would demonstrate that.

Deputy Inder, look, I fully understand. I do see his mixed role here and the same with Deputy Moakes. As Members of Economic Development they are the people who are – I will come to you, Deputy Vermeulen – they are the ones who are working on trying to promote economic development and stability, pushing finance. Now I appreciate this does not come under the big one of finance because one-years do not really affect. But believe you me, there are other categories in that one year.

But the picture is we are trying to bring, to give the opportunity to businesses. I can tell you now businesses would appreciate this opportunity, so I understand that you want us to support but I also see your other perspective of supporting Home Affairs but I believe I would like to ask you to look at it independently, can you support this amendment and then watch what happens. Because at least we are showing the precedent of helping the businesses.

I was very appreciative of Deputy Roffey's – which I had mentioned a little bit earlier – almost explaining the reasonableness. Now let us see this, again quoting to what was said in the response from the CHA. It is not, again, the maximum four years would appear to avoid the red line settlement rights by ensuring that no one is living here, etc.

So it comes down to reasonableness. What will the Government say? Surely the British government, as long as we follow and abide by the Rules and every employment permit is carefully verified, which they are done really well in Guernsey all the time, this should not be an issue but it gives the businesses a chance.

Deputy Moakes, actually, was very interesting, with a doubly upset and a doubly supportive in a sense. I appreciate his position on it but I appreciated the comments. Deputy Taylor, to be fair, we covered a lot of the points, I will not dwell too much on it. Although Deputy Taylor did have the figures and detail he put there but I am not sure if it is fully clear. Because when you have a person coming over on a one-year permit they can extend it and they can extend it and at any point it stops. I do not see any risk of this Article 8 coming in there because actually the reality is we have always had and Deputy Taylor himself has employed people, he has to get licences – employment permits, rather – and when they expire the person moves on.

Now another point to note, I believe it was Deputy Vermeulen who referred back to his business background with the hotels and everything there, and he talks about the idea of these foot soldiers, I called them, the waiters, front staff, who are good ones, who had come over, maybe they were students, maybe they were workers. He did refer to French ones who might be professional waiters and things there. But here is the other one. We want to give people opportunity. Now technically, if you stick to the original policy of three years, I did in a passing conversation, say, 'What happens then?' Well if they have done really well they can get onto a five-year one, etc.

If any of you, and there are some people who have had food establishments and restaurants and things like that, if you know how the process works for a KP to a kitchen assistant to a *commis* to a CDP, you cannot do that in two years or three years. You could, however, do it in four. So that is another point to make. In other words, it is a factual point of what you can do. And the same applies to people in the weighting.

Now I have brought in the employment permit policies. I am not going to go through lots of examples but you can have a bar person with one year, you can have a supervisor with one year and you have a manager or assistant manager with five years. It is very hard to jump from one to the other. There are all these examples, whereas four would make that difference. So it is not random and it is trying to do the best but staying within the remit of the Law, in effect.

Deputy Kazantseva-Miller, a very academic and detailed analysis of how it works. Specific references were actually made to Deputy Taylor, which I would just like to kind of highlight again because at one point in her debate, in her speech, Deputy Kazantseva-Miller referred to what Deputy Taylor had said, 'Hey there is not a problem here because we can bring people from overseas and everything else.' If you are that business, having to pay for the recruitment, for the

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visas, for the POEA, for the employment permit, for the travel – oh, by the way, let us not forget the accommodation, for the accommodation, it is a big cost.

I will give way to Deputy Taylor.

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Deputy Taylor: Sir, I am very grateful for Deputy Blin for giving way there. I would just like to highlight the point he is making, that there are extra costs if people are employing people from further afield, is an absolutely valid point. But, regardless of what the policies are, if you are unable to employ someone from closer to home, through no fault of the Population Management regime, and you have no other choice, you have to look elsewhere, it might incur more costs but that is one of the facts of business.

Deputy Blin: A valid point but for us to talk within this Chamber, if we are sitting in our respective businesses and there are maybe restaurant businesses in Guernsey listening to this, they will think it is very flippant just to say it might be more expensive. We are trying to help because if we do get that person who is more expensive because you have to do it, taking your point, if they can stay here that little bit longer, you have amortised that cost. So it helps in its own way. So point taken, but it is about the real business impact on the business we are trying to talk about.

I would like to come back to a point that was made by Deputy Vermeulen. There are a lot of points about the hotel and the churn and the change and at one year they can have another contract and everything else there. Another point, which I am sure Deputy Vermeulen will concur, is that actually in hospitality, and it is one of the only sectors doing this, 85% of all accommodation is provided by the sector.

They are not taking up any of the other properties and houses and everything else there. They have this massive extra cost that other businesses do not have. There is another reason why that one year extra could make a huge difference to help that and we heard, earlier, from Deputy Kazantseva-Miller of the percentage of those one-year permits, it is almost like saying, 'They are just starting into the face of hospitality majority and others.' So there in itself is a direct reason to support this or to try to push it through as a joint Assembly.

Deputy Matthews, I mean look, this was very interesting from him, as usual, this analysis. He looked at this angle of explaining the risk of residency. What was this for, this three or four years, etc.? I always have seen this over the years, that you do not want them to get too far along the line because they might get rights or they might get other benefits and all the things there. However, we also talk about the positivity of if you have the right people they will have a future.

So I totally concur with this and actually that is why we have this, before, one to five years renewable, no dependents, and now being one to three years we are just not giving them or the businesses a chance. All the rest of it works so well. Why should the UK be potentially threatening us?

I am just going to move on. Okay. I am jumping a few pages, you will be pleased to note. (Interjection) Thank you, Deputy de Lisle!

Oh yes, Deputy Queripel, when in doubt, leave it out, which was sort of started off by Deputy Taylor. Look, I can go with that, however when it is something that is so critical and so important, which can help businesses, and I hope I have conveyed enough of the explanations, not only in cost but the effect but they are also the same people working in other areas that need to do this, there are points when you cannot leave it out, you just have to work hard to try and find a solution; and I do very much appreciate the comments from the President for Home Affairs, talking about that this can be looked into. I do not see why not from now.

Deputy St Pier was, as I say, a very valid speech and actually kind of proves that it is the logical way. I just feel from experience and seeing what happened yesterday that actually sometimes we have to force the case, try to get this across the line so there is a chance. As Deputy St Pier said, even if we do get it across the line, then they will go and say well it is not liked by the UK government, even though we know it will make a difference and help and support business here.

So I am going to, in conclusion and summarise, a basis ready to finish, but I would just like to say, having listened to what Deputy Roffey said at the very beginning, should this be withdrawn, I believe there is enough valid –

I will give way to Deputy Queripel.

Deputy Queripel: Sir, I thank Deputy Blin for giving way.

It does not sound like he is going to answer my question. I know he is not obliged to under the Rules but I did ask him to tell us, please, what the advice of H.M. Procureur was when the amendment was laid in front of her.

Thank you.

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Deputy Blin: Apologies, Deputy Queripel, you did.

I was just trying to speed up through the process, so I did miss that. I did speak with H.M. Comptroller and he did confirm that the information given by the subject experts he concurred with and I have read you several times during the – where is my iPad with that note, sorry – that information did say, I will just go onto the iPad. The one I had read several times saying that four years is possible but it is not preferable.

So H.M. Comptroller concurs that, agrees with the same information, which I have read out to you, so we all have the same information. It is not black and white saying this is going to be illegal or effective in that, it is just going to be more difficult. So it is a case for us to push it through.

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The Bailiff: Thank you very much, Deputy Blin, we now come to the -

Deputy Blin: Sorry, I was giving way.

The Bailiff: You have to say if you are giving way. You cannot just sit down, Deputy Blin.

Deputy Blin: Apologies. I give way to Deputy Queripel.

Deputy Queripel: I thank Deputy Blin for giving way. I need clarification please because 4(1)C says the Proposition has been submitted to H.M. Procureur but he has just explained that he spoke to H.M. Comptroller.

The Bailiff: Let me clarify that for you Deputy Queripel. The two Law Officers are interchangeable for these purposes so, although the Rules refer to H.M. Procureur and Rule 4(1)C says that, when you look at the interpretation section, it includes H.M. Comptroller. So it does not matter which one gives any advice.

Deputy Queripel: Thank you, sir.

1815 **The Bailiff:** Deputy Blin.

Deputy Blin: Just reading through from H.M. Procureur, the answer there was:

I cannot immediately see a legal difficulty with this but I have not been privy to any advice CHA may have received.

So just being transparent with that. And, through you, sir, it may be possible to ask H.M. Comptroller to speak directly confirming the question for Deputy Queripel?

The Bailiff: Mr Comptroller, are you in a position to opine on these matters?

The Comptroller: Sir, I can confirm that the email, which was read out, which I think was an email that H.M. Procureur sent, confirming that in her view there was no legal impediment ... I would confirm that myself and I have indicated to Deputy Blin that I concur with the view of the specialists, of the experts that there is an enhanced risk if four years is inserted into the Law as opposed to three.

Now, the degree of that risk is another thing in time, really, to analyse that, but there is an enhanced risk, I agree with that.

The Bailiff: When you refer to an enhanced risk, do you mean an enhanced litigation risk?

The Comptroller: Litigation risk, absolutely, sir. Yes, that is correct.

The Bailiff: Deputy Blin.

Deputy Blin: So, through you, sir, I will just, with that information, which is appreciated, yes, there is a risk but it is not breaking it. I would just ask you to consider supporting Deputy Gollop, seconded by me, in this amendment because I do believe the importance of it.

Thank you, sir.

The Bailiff: Thank you very much.

Members of the States -

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Deputy Taylor: Sir, I am very sorry, but I just have to apologise that I did not raise, in accordance with Rule 17(15) that I may have a special interest in this, being an employer with short-term employment permits.

The Bailiff: Yes, well Deputy Blin's declaration of interest was late, yours is very late, because you had already spoken. But at least it comes before the vote.

Now, Members of the States, we will come to the vote on Amendment 8, which is proposed by Deputy Gollop and seconded by Deputy Blin. Greffier, will you open the voting, please.

There was a recorded vote.

Not carried – Pour 5, Contre 23, Ne vote pas 5, Absent 7, Did not vote 0

POUR Deputy Blin Deputy Cameron Deputy Gollop Deputy Kazantseva-Miller Deputy Le Tissier	Deputy Aldwell Deputy Brouard Deputy Burford Deputy de Lisle Deputy Fairclough Deputy Gabriel Deputy Haskins Deputy Inder Deputy Leadbeater Deputy Mahoney Deputy McKenna Deputy Moakes Deputy Murray Deputy Oliver Deputy Parkinson Deputy Prow Deputy Roffey Deputy Soulsby Deputy St Pier	NE VOTE PAS Deputy de Sausmarez Deputy Dyke Deputy Ferbrache Alderney Rep. Roberts Alderney Rep. Snowdon	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Helyar Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE None
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Deputy Taylor Deputy Vermeulen

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The Bailiff: In respect of Amendment 8, proposed by Deputy Gollop and seconded by Deputy Blin, there voted in favour, five Members; against, 23 Members. There were 5 abstentions and 7 Members were absent at the vote and therefore I declare Amendment 8 lost.

Now, Members of the States, general debate. Can I simply remind you that of the 18 Propositions that were there originally, we have now gone up to 20, because there is the insertion of Proposition 1A by Amendment 6 and the insertion of Proposition 4A by Amendment 1, and Proposition 7 has had some words added to it by Amendment 7.

Who wishes to speak in general debate?

Procedural – Motion to change lunch break

Deputy Queripel: Sir, I rise to ask you, please, to put a Proposition to the Assembly we sit until one o'clock.

The Bailiff: I think there is going to be merit in a number of things but let me test your appetite to delay the start of your lunch by 30 minutes so that we continue debate for the time being until one o'clock. Those in favour; those against?

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Members voted Contre.

The Bailiff: I will declare that lost but while we are doing this, can I -?

1875 **Deputy Queripel:** A recorded vote, sir, please.

The Bailiff: That is your entitlement, under the Rules, Deputy Queripel, and therefore, Greffier, can we have a recorded vote, please, through the system?

And can you open the voting, please, Greffier?

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There was a recorded vote.

Not carried - Pour 8, Contre 23, Ne vote pas 1, Absent 7, Did not vote 1

Deputy Fairclough Deputy Gollop Deputy Le Tissier Deputy Oliver Deputy Prow Deputy Queripel Deputy Roffey Deputy Taylor	Deputy Aldwell Deputy Blin Deputy Burford Deputy Cameron Deputy de Lisle Deputy Dyke Deputy Ferbrache Deputy Gabriel Deputy Haskins Deputy Inder Deputy Kazantseva-Miller Deputy Leadbeater Deputy Mathews Deputy Matthews Deputy Moakes Deputy Murray Deputy Parkinson Alderney Rep. Roberts	NE VOTE PAS Deputy de Sausmarez	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Helyar Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Brouard
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Alderney Rep. Snowdon Deputy Soulsby Deputy St Pier Deputy Vermeulen

The Bailiff: In respect of the motion that this morning session be extended to 1 p.m., proposed by Deputy Queripel, there voted in favour, 8 Members; against, 23 Members; 1 abstention and 8 Members were absent at the vote and therefore that is why I declare it lost.

Can I just test with you, though, Members, whether you are minded to come back early, rather than coming back at 2.30 p.m.? Do you want to come back at two o'clock and I am simply going to put that motion to you *aux voix*. Those in favour; those against?

Members voted Pour.

The Bailiff: I will declare that carried. So we will resume at two o'clock.

Does anyone want to speak in general debate for a minute? We will simply adjourn to two o'clock and resume general debate at that point.

The Assembly adjourned at 12.30 p.m. and resumed at 2 p.m.

COMMITTEE FOR HOME AFFAIRS

Population & Immigration Review – Propositions carried as amended

The Bailiff: I will turn back to the President ... Ah, Deputy Inder.

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Deputy Inder: Sorry, sir. I had not realised we had started. This will hopefully only take about 30 seconds.

Of course, sir, Members, a lot of this is about supporting the economy over the next 30 years and I am not going to go over some of the things we may have said on other amendments but just to let you know the Guernsey International Business Association, their executive sat yesterday and I have just got a brief message on the item of the Population Management, which we are having today. I can say there was strong support among council members for the Population and Immigration Policy Review, as submitted to the States by the Committee *for* Home Affairs.

Specifically, all present supported a statement and paragraph that the economic competitiveness of the Island should be supported through the strategic population objective, as set out in that paragraph and, in addition, those present expressed support for an average net migration level of 300-plus per year for the next 30 years, based on the evidence contained in the report. They went on to agree the changes to existing medium-term employment permit types to align with the UK Skilled Worker Visa List and the resulting eligibility for the long-term employments instead. Also, the consequential directions set out in the Review, as well as a well-thought-through and evidence-based package of measures.

So, in short sir, hopefully we will all be supporting the Propositions that are in general debate and I can assure Members that it has the full support from a very large section of our biggest industry.

Thank you very much.

The Bailiff: Deputy Helyar, is it your wish to be relevéd?

Deputy Helyar: Yes please, sir.

1920 **The Bailiff:** Thank you very much, welcome.

Deputy Queripel.

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Deputy Queripel: Sir, thank you.

There are three points I want to focus on. Several years ago, in a previous Assembly, when former Vale Deputy Matt Fallaize was President of Education, I asked him if the age limit for retraining, the States retraining sponsored schemes, that fell under his mandate was going to be removed. At that time, the age limit was set at 55 and I believe it is still set at 55. So I asked him why the cap had been set at 55 in the first place.

In response, he said the States needed to maximise its investment and that setting the cap at 55 meant that Islanders who had retrained would work on at their new vocation for at least 10 years before they retired. But surely, sir, the cap now needs to be removed, on the grounds of age discrimination? So in relation to that, my question to Deputy Prow is will that whole situation be looked at as part of this work?

I am presuming it will, seeing as Education, Sport & Culture are going to be heavily involved in progressing the Human Capital Development Plan, as explained in paragraph 6.20 and 6.21. But if there is no intention to include that piece of work, I ask Deputy Prow, through the chair, if he could please pursue that whole issue as the work on the Plan progresses? Because having that cap in place surely does discriminate against over 55-year-olds? Especially when we bear in mind the States' pension retirement age is increasing by two months every year.

Now I cannot remember which debate that was I asked former Deputy Matt Fallaize that question but there is only so much time I can spend looking at a screen, due to my hidden disability. Perhaps Deputy Gollop may remember that? He has an amazing ability to recall those kinds of things.

But moving back to the issue, for a moment, of increasing the pension age, the intention, as explained in paragraph 5.12 is for it to reach 70 by 2049. So with that in mind surely there is every justification for removing the cap?

I was really surprised, when I read in this policy letter that there are only 968 Islanders over 65 in the workforce and that really surprised me because I believe I am right in saying, I stand to be corrected, we have something like 15,000 pensioners living here in the Island. So with that in mind I thought there would have been a lot more than 968 pensioners in the workforce. So picking up on the point Deputy Le Tissier made when he spoke on Amendment 6, is that perhaps because some employers discriminate against pensioners?

Of course, as we know, some companies and businesses here in Guernsey dispense with Islanders when they reach 65 because of the regulations that are currently in place, but surely that Draconian approach has got to change for obvious reasons I am sure I do not need to go into in this speech, sir.

I am 70 years old. I am flattered, sir, by some of the responses of my colleagues! I am 70 years old. I have been in physically intensive professions all through my working life up until I was elected as a Deputy, 10 years ago. There was no way I could have carried on working in those physically intensive professions past 65. So I am really grateful for the people that voted for me, who do not discriminate against older people, otherwise I would not be standing here today, fighting the corner for the older generation.

The older generation have a lot to offer and I ask those who are responsible for progressing the Human Capital Development Plan to not only bear that in mind but to please act upon it and eliminate barriers that prevent the older generation from continuing to work.

The second area I want to focus on, I think this really needs to be looked at, is what the Island has to offer, not only to attract people from other jurisdictions to come here to live, but also in an attempt to encourage Islanders and others who are already here to stay here. Because people do not just want to work in order to survive, they want quality of life and how many times do we hear

people in Guernsey, not just the younger generation, but how many times do we hear people in Guernsey say there is nothing to do here in Guernsey?

Now we all know that is not true because there are all sorts of things to do but I really do think we need to up our game in relation to what we have to offer. Now I am talking primarily of course about arts facilities and arts venues and sport and leisure facilities and venues. I was talking to some Islanders recently, who said I should not be too concerned about what we have to offer but I am concerned by it, which is why I am talking about it here in this speech, especially after what I heard last evening, when I went along to a launch of a new art exhibition at Candie Gardens, staged by the Arts Commission.

Whilst I was there I got talking to the head of the Commission and we have been friends for over 40 years, we used to play in rock bands back in the 1980s. He told me that Jersey has pumped £9 million into their arts programme; £9 million. So, yes, I am concerned about what we have to offer. We should all be concerned about what we have to offer, because our competitors are way ahead of us.

Actually, the latest edition of this excellent publication, *The Parliamentarian*, I am sure my colleagues have all got a copy of it, there is a headline feature on the power of sport. Several pages dedicated to getting the message across that if you want to attract the best then you have to provide the best.

The arts is the fastest growing industry in the UK and the government pumped a staggering £1.57 billion into the arts not so long ago. If any of my colleagues want to dispute that, sir, I have got the cutting here. Jersey are way ahead of us, the UK are way ahead of us, and we stand still at our peril. Because other jurisdictions, who have got a lot more facilities and a lot better facilities than us will get the people we need if we do not up our game.

Yes, we have golf clubs and sports clubs and we have theatre groups and music groups, poetry groups, dance groups, etc. But the reality is we do not have enough rehearsal spaces, or performance spaces or venues and that is really going to be our Achilles heel. The irony is we had so much more to offer years ago. We have lost so much over the years.

When people like Deputy Ferbrache and I were on the scene years ago, we would start the evening by going to the tenpin bowling alley at Lynwood, and there would be a band on there. We would go to Hermitage hotel and there would be another band on there. We would move onto somewhere like the Whitewoods, where another of our favourite groups would be playing. And at midnight, we would go to the Cellar Club or the Granary, till two, three o'clock in the morning. As long as our hair was not too long, of course, in which case we would be refused entry as Deputy Ferbrache was once years ago at the Cellar Club!

But as I say, we could go to four, five different venues in one evening and that was not just a one-off, that was every weekend, and those venues simply are not there any more. They have not been replaced. I have got a whole list of them here, which I am not going to read out, and I have got 21 on there.

If we are going to seriously compete with other jurisdictions for staff, then we really do need to up our game and take a serious look at what we provide. More to the point, what we do not provide. I say that because here is one example. We always talk about competing with Jersey. We do not have anywhere near as many music venues as Jersey. We do not have as many rehearsal spaces as Jersey. We do not have as many sporting facilities as Jersey. We no longer have a tenpin bowling alley and Jersey does. And there is a lot more that Jersey has got that we have not got and we do not have and it does not look like we are going to have. We need Government intervention, I think.

We could have bought the Bowl, (**A Member:** Yes.) quite easily. It went for under £2 million, I think I am right in saying, and there are eight flats there. You have got an immediate income. The company that had the Bowl ran it down on purpose. It could have been a viable business.

But anyway, Jersey have got a bowling alley, Jersey have got a lot more things than we have got. So when someone is looking to go to work in another jurisdiction, as well as have a quality of life, where are they going to go? It is not rocket science, sir. They are going to go to somewhere that gives them the opportunity to attain that quality of life. So there is a very real possibility –

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I give way to Deputy Oliver, sir.

Deputy Oliver: Would the speaker agree with me, though, that Guernsey does have beautiful 2025 beaches?

Deputy Queripel: I do indeed. Absolutely. I use them all the time, as do thousands of other people. But you only use the beaches in summer. You can walk on them in winter, yes, but not everyone likes the beach. Not everyone is attracted to a beach. We cannot rely on beautiful beaches or beautiful country walks to attract staff we need – 300, 200, whatever the number is – every year.

So there is a very real possibility we will lose out to places like Jersey in the future and we cannot afford to do that. I am not talking about massive investment here, I am talking about speculating to accumulate, whenever possible, in an attempt to improve what we have to offer to attract future staff here. Because we are up against serious competition from other jurisdictions out there in the big wide world, many of whom also have lovely beaches but they have got a lot more than lovely beaches and lovely country walks.

This is touched on in paragraph 5.1 of this policy letter, where we are told that the steering group remain cognisant of the clear tension between managing the decline in Guernsey's workforce and maintaining the Island as an attractive place to both live and relocate to. Maintain the Island. I cannot find anywhere in this policy letter that focuses on making the Island more attractive to overseas workers and our fellow Islanders. That is not a criticism, sir, that is an observation, and I am trying to help, here.

That focus really does need to be put in place, if we are going to seriously compete with other jurisdictions, Jersey pumping £9 million through the arts, the UK pumping a staggering £1.57 billion into an arts programme. So I ask my colleagues on Home Affairs, Economic Development and Education, Sport & Culture, to please take this issue very seriously indeed when they progress the Human Capital Development Plan, as laid out in paragraph 6.21.

The final point I want to focus on is summed up, actually, in the title of a Moody Blues LP, which was a massive worldwide hit in 1970. It was an LP entitled A Question of Balance. I say that because as with every issue we discuss in this Chamber, balance is absolutely crucial. We need to do our utmost to attain balance and I am pleased to see the word balance is mentioned on more than one occasion in this policy letter.

What I am talking about, when I talk about balance, is the balance between Guernsey staying as an Island or Guernsey becoming like a small city. Too many buildings, too many vehicles on the road, too many people, too much noise, too much pollution, too much crime, etc. Now I spent seven years working in London. I left London in the late 1990s because my love affair with London was well and truly over and I wanted to return to living life in my Island home. In the last 20 or so years, the Island has changed dramatically. Some things for the better and some things for the worse, as Deputy Roffey said in one of his speeches earlier this week.

I have spoken to 15 Islanders recently, about the need to attain balance, the youngest being 22 and the oldest being 76. They have all told me they will leave the Island if it ever becomes too much to endure due to overcrowding. Too many people, too many buildings, too many vehicles, etc., too much noise, etc.

Now many of them are already struggling to survive financially but it is a cost they are prepared to pay to stay in their Island home to a point. Because there has to be a balance and it is a whole issue of Guernsey becoming more like a small city than an Island that is really concerning them and concerning me.

Sir, I am not a religious man, but I think I am right in saying – I stand to be corrected – there is a question asked in the Bible along the lines of 'What is the profit of man if he gains the Earth but loses his soul in the process?' In other words, is it all worth the price you have to pay? Well, none of the 15 people I spoke to think it is going to be, if we become more like a small city than an Island.

I am with them all the way on that one, because I have some friends who live in a delightful village in Spain, in the Costa Blanca, called Benedolieg and I have been there several times and that

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is where I will be going to live when I retire in 2025 if my Island home becomes so overcrowded and so noisy and so unbearable that I can no longer bear to live here.

Moving towards a close. Two of my closest friends bought a two-bedroom detached house, with a huge garden and an outbuilding, in the Shropshire hills recently, for less than the price of a one-bedroom flat in Guernsey. They are both pensioners and now they have got part-time jobs lined up. So not only have I lost two of my closest friends but the Island has lost two pensioners who wanted to carry on working.

How many more are we going to lose? They left Guernsey for two reasons. One, it is too expensive to live here; two, they wanted to go live somewhere that is like Guernsey used to be before it became too overcrowded and too noisy. They are already thinking it is too overcrowded and it is too noisy.

That is why I say it is absolutely crucial we strike a balance, otherwise we are going to lose far too many people if we do not attain that balance. So in closing, this whole population issue needs a lot more thought and a lot more work. I have every faith in my colleagues on Home Affairs, Economic Development and Education, Sport & Culture, every faith that they are more than capable of doing that work. But if I can help in any way, especially in championing sport and the arts, then I ask them to please contact me because I am only too willing to help.

Thank you, sir.

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The Bailiff: Deputy Aldwell.

Deputy Aldwell: Thank you, sir.

This policy letter is before us for the purpose of planning for the future infrastructure and services, which will allow this Island to remain desirable and competitive and will ensure the Island meets the needs of the economy with the necessary housing and infrastructure and this will be reviewed again no later than 3^{1s}t December 2027.

The population of our Island is ever-changing, with immigration and emigration over the centuries to meet our economic needs, as our economy has changed direction many times and seen our population in St Peter Port increase enormously. Deputy Ferbrache spoke about the population back in the 1800s and I wanted to add a few comments.

In 1821, the Guernsey population was 20,000. By 1851, 30,000 and by 1901, 40,000 – 57% of the Island's population living in St Peter Port, compared in 2020 to 30%. Fifty per cent of that population of St Peter Port were non-native and we welcomed people from Ireland, England and France to work in our shipyards, quarries and have a young population of females under 20 in St Peter Port to work in the retail and as domestic servants in St Peter Port's new affluent areas, such as the Grange, Queen's Road and Mount Road.

When times were tough and there was little work for non-natives, the only solution was to ask for parish relief from the parish constables, who raised poor relief in the parish rates. There was a law in place between 1842 and 1880, where constables had the power to deport non-natives and between September 1842 and 1846, as an example, they deported 773 persons for poverty and destitution.

The Island has always seen locals emigrate and between 1851 and 1861, England and Wales saw five persons per thousand of its population emigrate. Guernsey saw 72 per 1,000. The economy started to pick up between 1873 and 1896. British farmers saw an agriculture depression but Guernsey started building greenhouses, and tomatoes and grapes became our biggest export of the London markets and in 1887 exported 1,000 tonnes of tomatoes, sent to the London markets; export valued at over £100,000, which brought wealth to the country parishes and the Chamber of Commerce had to concede that growing outstripped shipping and stone exports and was helped hugely by the improved harbour.

Quarrying supported many families in St Sampson's and the Vale, agriculture in the country parishes and shipbuilding in St Peter Port, as well as the garrison at Fort George, supporting the Town trade. Guernsey was extremely prosperous. Between 1901 and 1911, we saw an economic

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downswing as the British Isles and young men were seeing no future and they left the Island for Canada.

After World War Two, we saw the Island become a tourist destination and agriculture and fishing brought the Island an economic boom. The Island was experiencing a housing crisis. Bungalows were built in ribbons, lining main roads across the Island parishes and along with social housing estates.

Hotels were full. Families rented out rooms on a bed and breakfast basis for tourism and put up a few feet of glass and grew tomatoes and freesias. The Island was again very prosperous and the population grew. To mitigate this, the Open Market was conceived so local homes were protected. We built new secondary modern schools at Les Beaucamps and St Peter Port, to equip students with the skills required to build Guernsey's economy.

The 1960s and 1970s also saw many Islanders emigrate on a £10 fare to Australia and New Zealand, as a Guernseyman has always taken up an opportunity. As growing dropped off with the cost of oil and tourists went further afield on flights to Spain and guaranteed weather, Guernsey diversified into finance.

So here we are again, looking at Guernsey's future, where we can face unprecedented challenges, where we have faced unprecedented challenges, from COVID-19, Brexit and the war in Ukraine, attracting essential workers to our Island is extremely difficult. Not only teachers, nurses, police and hospitality but support staff, such as bus drivers, retail and cleaners and so we need to look further afield.

With the demographics of an ageing population we in Home Affairs realise that a review of the Population Management was extremely urgent and it became a top 10 priority in the Government Work Plan. Of course, it would be desirable to encourage more Islanders to return to the workplace, putting in place for young mothers, creche facilities and flexible hours, encouraging those in their early fifties and sixties to return to work, but COVID has changed many people's priorities. Having not travelled for two years, people now feel they want to travel and see the world, which has also shown to be a real problem in the third sector, trying to keep volunteers, which we rely on so much to support Guernsey in so many ways has been extremely difficult.

For our economy to prosper, not only do we need to train and retrain our own staff right across all sectors and we look to facilitate this again, we invest in skilling our students for the future and give them opportunities to upskill our workforce, with our new post-16 campus at Les Ozouets, with a new sports facility, but also need to attract key workers to our Island.

Reminded, importantly, in 3.7 of the policy letter, one of the key priorities of Home Affairs is to keep our Island safe and secure and the population management does this pivotal role by checks and processes that are in place to stop undesirables such as those with criminal convictions from taking up residence, which has been a priority through the Review, and Appendix 2 shows the many changes already in place in Population Management by Home Affairs, meeting the needs of the community and proactively reviewing the policies supporting the economy.

We cannot stand still, we cannot stick our heads in the sand and ... for the Islands to progress and move forward. Again we need to be realistic and I will repeat my opening phrase. This policy letter is before us for the purpose of planning for the future infrastructure and services, which will allow the Island to remain desirable and competitive and will ensure that the Island meets the needs of the economy with the necessary housing and infrastructure. I encourage the Assembly to support the policy letter.

Thank you, sir.

The Bailiff: Deputy Fairclough.

Deputy Fairclough: Thank you, sir.

Firstly, let me commend the Committee *for* Home Affairs and all those involved in this policy review. I am broadly supportive of the Population and Immigration Policy Review and its Propositions. For me, the guts of this policy letter are in sections 5 and 6 and that is where of course

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many of the amendments have been focused and I have supported those, which I believe could have enhanced this policy.

Of course, the document before us largely represents overarching policy, within which other work is informed and other policy work is identified. But I think it does a good job of trying to pull together the various strands. But it also raises a number of questions and I have several for Deputy Prow to address in his summing up, if he is able to answer them.

Firstly, in section 5.9, we are told:

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... States of Guernsey's data indicates that, if there was +300 net migration, 85 of every 100 people who move to Guernsey would be economically active and filling vacant roles in the economy ...

I would just like to know the basis for that figure. I am genuinely interested in knowing what the basis for that figure is. I know the premise has been questioned by ESS in its letter of comment. Secondly, the critical and key workers referred to in section 5.18, I see that ESC has touched on this in their letter of comment; do we yet have a definition of critical and key workers and if not, why not? I know it is an issue that keeps coming up when we are talking about this area of policy. Thirdly, and crucially, how long is the recognised break referred to in section 7.6? For me, that needed some more explanation.

But I appreciate that we are on the start of a journey here. This is not the be all and end all for the time being. But I do think we need to be cautious when making some assumptions on how life is now. To give you an example, in section 5.12, overall dependency ratios across net migration scenarios are given. We assume that increasing the pension age to 70 by 2049 could change behaviours in terms of how long people will work. But that does not necessarily follow.

Okay, it might reduce the States' pension liability, ultimately, but it does not immediately follow that people will work longer and for those that do, who is to say that they will be as fit, active and healthy as Deputy Prow? They may have many more health needs. All I am saying is that what is true today may not be and probably will not be the case in 20 or 30 years' time. We are living through very different times now and working for more than 50 years will have a greater toll on some than others.

As Deputy Queripel has mentioned, in section 5.13, I am glad he highlighted this, we are told that there are 968 people aged 65 or over in the workforce but it is not clear what proportion of these want to keep working or have to keep working. Like others here, I had the pleasure to meet the eminent economist, Dr Matthew Argawala, when he visited the Island last year and we discussed the post-COVID trend of people middle-aged leaving full-time employment. And I know that Deputy Inder has referred to this previously in debate. I know many my age, which of course is relatively young, are now working fewer days a week, if at all. That seems a waste of talent and experience on the one hand but an understandable life choice on the other.

We are not here to dictate when or how long folk choose to work. As Deputy Gollop has already highlighted, many of these people are making contributions to society in other ways, caring, volunteering, things you cannot put a value or even a number on. I hear of others who own small businesses who have worked hard post-pandemic but who plan to retire early in the next year or so. There are many intangibles.

But when it comes to housing, personally speaking, the prospect of building as many as 3,370 new units by 2040 fills me with dread. Between 41 and 114 football fields, depending on density, according to section 6.17. Now that is quite a range and I know that this has been referred to already. But the higher figure is an area nearly one-and-a-half times the size of the Hackney Marshes, if you can picture them, the spiritual home of Sunday league football.

Now we have already heard Deputy Le Tissier earlier this week questioning the proliferation of building in the north. A valid question. But if we are pursuing net migration of 300-plus per year, we *Ain't Seen Nothing Yet*. Look at the challenges we are having building homes at the moment.

Now I am not the first to raise this next point and I will not be the last, but if accommodation is going to be needed on the scale suggested, and I have no reason to believe it will not be in the years ahead, we have to be looking to think smarter when designing sites and amongst other things

potentially building upwards where appropriate, as has already been mentioned on a particular site this week and I will not mention sites. The time to review our policies in that regard is yesterday. Not as part of an IDP review before the end of this term, possibly. Otherwise limited site opportunities will be lost and there will be a danger of building low-rise units on the more obvious sites when, in 10 or 20 years, we could be ruing missed opportunities.

If we are talking the numbers that we are here we simply cannot afford to do this. I do take comfort from the fact that this figure can be reviewed in five years' time, a point referred to by Deputy McKenna and also Deputy Aldwell in her recent speech. But there is much to do in that time. So, for example, what do current employers deem to be the essential and desirable skills now and perhaps with more difficulty, those in the future and what is being done to upskill young people and the local workforce? I do hope some clarity is brought to this in the Human Capital Development Plan.

I, incidentally, along with Deputies Ferbrache, Inder and Soulsby, attended a Q&A with some sixth formers at the Grammar School at the end of the summer term, and I was surprised and concerned at just how many of those bright, young students intend to leave the Island. It was a theme repeated in the Youth Parliament Meeting here just six days ago.

I know when we are younger that we want to spread our wings, travel and see the bright lights in other places and that is important. But it struck me that a significant proportion of these 14-18-year-olds see their futures elsewhere. Now that might change as they develop but we do have to grow and nurture talent on-Island and provide opportunities to build exciting futures and careers here; think renewable energy, for example.

So when it comes to the Human Capital Development Plan, I feel the need to identify sectors where employees are and will be needed in the next generation, with pay and reward commensurate to their importance. There may need to be more consideration for, dare I say it, equal pay for work of equal value, as the need for, let us say, carers, increases.

Sometimes it seems we have already forgotten many of those who carried us through the pandemic. Nurses, teachers, carers, shop assistants, cleaners, bin lorry, delivery and bus drivers. I could go on. The people who keep the world going round. To my mind, these roles will only become more important and hopefully more valued in the years ahead. But clearly we need flexibility in whatever approach we take.

In summing up, sir, I look forward to seeing this Population and Immigration Policy matching, in Deputy Prow's words, shortages with those employment imperatives. I will be supporting all the Propositions as amended.

Thank you, sir.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

During the last couple of days, there has been much reference to Guernsey's membership of the Common Travel Area as being sacrosanct, which it is, and that no matter what, we must adhere to the will of the UK government when it comes to the types of skills that we are allowed, by them, to permit to come and live and work here, in our jurisdiction.

Reading the policy letter and Home Affairs' response to the amendments, you will continue to read how we must toe the line and not risk upsetting our bosses in the UK by deviating too far from the list of essential skills that they want to attract into their jurisdiction. Well, sir, I thought I would go through their list, because it must be very special and contain all of the key roles and posts that a vibrant and balanced jurisdiction – I stole that from Deputy Ferbrache! – needs to function successfully.

Each of the occupations on the UK Skilled Worker Visa List, is given a four-digit code. There can be half a dozen similar roles all with the same code and there are hundreds of them. I will read out, for Members' information, a few of the skilled worker key occupations that have been designated by our CTA bosses in the UK, post-Brexit.

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Code 2229 is for a dance movement therapist. A key role for the function of society? I do not think so. Code 3413 gets you a disc jockey. Again, a must-have key post in any jurisdictions in the policy list? I do not think so. 3415 is a violinist; 3433 gets you a lifestyle consultant, 5449 is for a wig-maker – sorry Deputy Brouard, not looking your way on purpose! – 8215 is for a HGV driving instructor. Not HGV driver, that is not a skill they need. They only need HGV driving instructors, apparently.

Aside from the obvious, few of the roles on their list are what I would regard as key skills needed to support a successful economy. The last one on the list, 9119, made me chuckle a bit, sir. Code 9119 is titled 'Fishing and other elementary agriculture occupations not elsewhere classified'. There are two roles under Code 9119. They are one, a chicken sexer, and two, a deckhand on a large fishing vessel, nine metres or above. It continues to say that both roles require three or more years' full-time experience. Then it says experience must not have been gained through illegal working.

Well, sir, I had no idea there was an illegal chicken market out there or that illegal chicken sexing was even a thing, but there we go. I have, though, heard of the role of a chicken sexer before and apparently it is a difficult skill and extremely well-paid in some Asian countries, for example. But I thought I would look at what the UK says about the role. This is from the gov.uk website. I kid you not. It says:

Vent chicken sexing ...

- which is its proper term, apparently -

... involves examination of the inside of a vent opening of the chick, to accurately identify the sex organ. The ability to accurately determine the sex of a day-old chick can only be acquired by at least three years' training.

Really? Why three years and how did they know?

Anyway, we now have this list as a guide for the type of skills that the UK will allow us to permit to come and live and work in Guernsey. When I look at the situations vacant in the *Press* though, I do not see businesses advertising for chicken sexers or wigmakers or for dance movement therapists. No, I see them advertising for care staff, for cleaners, for HGV drivers. They may be the lower-paid roles, but they are essential skills that we would struggle to function without.

Surgeons are on the UK list of essential skills, but not clinical support staff. You can have as many surgeons as you like but if you do not have the staff to prepare the theatres then no surgery can be performed. I will explain this in the Guernsey context. Last week, in the absence of the President and Vice-President of HSC, who were both busy, I had the honour and privilege to cut the ribbon on the new de Havilland orthopaedic ward at the PEH. Afterwards, I got talking with one of our surgeons and also some of the staff on the ward and the estates team, who had done an amazing job in such a short space in time.

But it was a conversation with our associate director of acute care, about the pressures on the PEH that really struck home. Our clinical support staff are as crucial to our ability to perform surgery as our surgeons and available beds are. We are currently carrying a 50% vacancy in that team. Skills that are unrecognised by the UK in their list are crucial in across Government and business in Guernsey and we cannot lose sight of that fact in an effort to appease the UK by simply toeing their line. We have to push back.

If the UK say to us, 'Well, you may need these skills but we do not recognise them as such, and if you want to remain in the CTA you cannot give a pathway for settled status for the roles you deem settlement to be appropriate for.' Me, I would say, 'Fine, we do not want to play with your ball any more. You do not play fair and it is having an adverse effect on our game.'

Seriously, though, sir, if the UK really wants to prevent us from managing our population as we see fit then surely we have no choice but to push back when it is having an adverse effect on our ability to recruit and retain staff. I had specifically asked for Guernsey's membership of the CTA to be included in the terms of reference for the Review. But it was not. I did not think for a minute that the review would propose Guernsey leaving the CTA. But discussions with the UK about these issues

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we face could have maybe teased out some options for more wriggle room for us in terms of the people we give a pathway to settlement to, for example.

Membership of the CTA may be not all it is cracked up to be, though, in many respects. However, obviously me talking of Guernsey leaving is heavily tongue in cheek. But there is a price to pay for our membership. Not only do we have to align our immigration policies with the UK there are other security pressures and financial costs imposed upon us too.

Our membership of the CTA has added a £244 note to anybody even on a STEP coming to work here now post-Brexit, plus the further added cost and burden of having a biomedical in their home country in advance of any application, too. I have said this previously in debate, sir, the cost for someone to come and work here for one year on a STEP, probably on minimum wage, is a minimum of £615 when including the costs that the UK now apply for our membership of the CTA. That has had a material effect on our competitiveness in the European labour market, forcing Government and business to look further afield.

Guernsey is now an expensive place to come and work short-term. The £600-plus costs I mentioned, coupled with expensive air and sea links is now compounded by the housing crisis and the rising cost of living. An attractive option for European migrant workers we are no longer, sir. The European employment pool that we have relied on for so many years no longer sees any benefit in working here. They can earn the same money with fewer restrictions elsewhere.

Once here, those on STEPs can stay and work for up to five years, or three, as proposed. But then they need to take a recognised break of at least the same amount of time before they are allowed to return. What utter nonsense if anybody believes that Guernsey is that much of an attractive option that low-paid workers will leave after three or five years and wait patiently for another three or five years, until such time as they are allowed to come back. Anyone believing this is living in cloud cuckoo land, sir. It does not happen now and it will not happen in the future with the proposed changes, either.

Deputy Trott made a valuable point in speaking of the type of people we need to attract and, without being too discriminatory, it is going to be a difficult circle to square. But we must try. The demographic bulge in Guernsey is around the early fifties, my age, meaning that there are more fifty-somethings in our population in comparison to other age groups. In Alderney, I think their demographic bulge is in the mid-seventies. For context, the Falkland Islands have a democratic bulge in the early thirties. How that was achieved I do not know but it is certainly something worth looking at.

I will briefly at this point speak of the scaremongering we have heard from some Members of the Committee for Home Affairs. Deputy McKenna in particular and Deputy Aldwell have talked of us being expelled from the CTA or having our passport revoked if any of the amendments were passed and that kind of hysteria goes no way towards helping their cause.

Anyway, one strength that Home Affairs do have in this policy area is the quality of their officers, both in Population Management and Immigration. A brilliant set of officers. I spent more than five years walking alongside them and a more professional and astute bunch you could not meet and I would like to thank them for their efforts, as well as the Committee in this piece of work.

I am going to support the Propositions, sir, but I believe conversations with the UK in respect of the challenges Guernsey is facing, because of the rules that they have imposed upon us, need to happen and happen soon. If, for example, in the future, we identify HGV drivers as being worthy of a pathway to settled status because we have insufficient numbers on-Island and we cannot attract them on STEPs, the UK should not be able to threaten us with our CTA status if we were to include that role on our policy list. We cannot be hamstrung by the UK in respect of our population and immigration policy and simply adhere to their rules and silly list of eligible skills.

Guernsey will not prosper with a population of chicken sexers and dance movement therapists. Through a mixture of short-term churn and long-term settlement, we need to maintain key skills on-Island, whether highly paid or not.

Thank you, sir.

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2380 **The Bailiff:** Deputy Gollop.

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Deputy Gollop: Yes.

Quite a robust speech from Deputy Leadbeater, which is thought-provoking, even if I find some of it a bit disquieting. I kind of agree with Deputy Queripel that we do undervalue the arts and I missed the exhibition he went to last night but I met another person who is studying at Falmouth, Cornwall University, and said how easy it was for students there, even from the Channel Islands, to gain studio/gallery space, workshops rather, at very cheap prices that we would not dream of finding in Guernsey. I explained to him that is true but Guernsey has a different economic base. We are reliant on the corporate sector. It creates a different kind of economy, different kinds of challenges.

Because some of what Deputy Leadbeater said was disquieting because I certainly, I am on board with Deputy Prow and the Home Department that really we want to avoid any misunderstandings over the Common Travel Area and we certainly do not want to even talk about renegotiating it or losing it.

I accept Deputy Leadbeater's point, I would like to see more dance therapists, maybe they would be good for us, but it is a bit random. I have to say that one of the tools in Guernsey's boxes, not just our society and our beaches but the fact that maybe, hard thought is for employers, we might have to pay slightly over the odds to attract staff, compared to some of the poorer parts of the world or even the British Isles. Maybe if the UK go through a slightly more troubling period financially we will see more migrants. I do not know, we will have to see.

But I think we should focus on the Propositions. In regard to the amendment that did not make it, the last one, although I accept entirely what Deputy Prow ... unacceptably late, I have not been particularly robust or fit recently, but he was right that unlike some of the other amendments it was a sudden, to the death, change. I can understand why Members, despite supporting elements of it, are wary to take that move at this time. So I definitely would like the States as a whole, Economic Development, Policy & Resources and especially Home Affairs, to continue to monitor these things and look at them.

When perhaps Deputy St Pier picked up on an off-the-cuff comment I made about three-and-a-half years, I was not being mischievous, I was saying that maybe an amendment that was for 42 months rather than 48 months would have gone further away from any red line but still provide a better environment for the training, for the induction, for the career development that Deputy Blin very ably, and Deputy Moakes and other people have spoken about.

It is the Propositions that we now must focus on and I must admit I am not that keen on this complete integration, even though it is efficient, of employment permits. Proposition 11, note the intention of the Committee *for* Home Affairs to develop and implement an improved end-to-end service through the merging. Of course we want one-stop shops but the problem is, as Deputy Roffey and others have pointed out, we are a bit muddled about the implications here.

Because as Deputy Leadbeater pointed out, we might want to give licences for HGV drivers but maybe we cannot. Those HGV drivers might be devoted if they are coming here from, I do not know, South Africa or Slovakia, but we may want to actually get HGV drivers who would prefer to work here than in Glasgow or Belfast or Liverpool. This is where it is so, not confused but we have merged, we have put together a housing licence regime with a Population Management border regime and I think the economy runs the risk of suffering over that.

We will vote, I will probably abstain on this or vote against, actually, but we will vote that STEP, short-term employment permits, may continue to be granted for a period of up to one year and may be renewed upon expiry by the administrator until the holder reaches up to three years consecutive residency. So the argument that we have not the ability or knowledge to discuss amendments, if you take that, we should not in a way be voting on something that is a material change. Yesterday it was five years. From today it will be three years. So that is a significant change.

I do not want to talk too long because everyone wants to get on with other things but I think two important areas that we have not discussed are the 26 – is it? – routes to permanent residence ...

There is an implication in this report that we should look again at those but perhaps looking again at the birth right issue. I know that is a controversial one but I personally would prefer, for the foreseeable future, unless there is a necessity of judicial review, for the birth right provisions for people with long-term Channel Island, Guernsey ancestry to remain.

The other issue that I think is important in this is that we are giving a pathway to looking again at amendments to the Open Market register and incentives to use the Open Market in a way that will support our society and economy more and I will definitely support those Propositions, because I think we do need further work, using the Open Market most effectively and that is not only a way of benefiting that sector, that community but it perhaps can not only enhance our economy but a strengthening of the Open Market will not only bring the high net worth individuals Deputy Inder and others have been talking about but it could relieve pressure on the Local Market.

The Bailiff: Deputy Murray.

Deputy Murray: Thank you, sir.

I am going to be brief because I think one can read the room. It is a Friday afternoon and nobody wants to stand here pontificating unnecessarily. What I did want to answer was Deputy Queripel's queries that he raised just before I do address the policy letter. He will probably be aware of and he can certainly check that in April 2021 our Committee secretary sent in quite a long, detailed discussion about what our entitlement is for various skills and training.

Just about the headline that he mentioned, for on-Island degree training, and it is only for on-Island degree training, you must be 56 on completion of that, as a maximum age. That was the 55 reference I think that he was talking about. But there are other work-related training schemes available from ESS and the Job Centre and we have no age limit at all on upskilling but that does not necessarily extend to funding.

Just moving onto the policy letter, I did have a speech prepared but I am not going to go onto that. I think it is an excellent policy letter, a lot of qualitative data in there. But I would just like to draw the Assembly's attention to maybe five paragraphs, if I may, and I am going to paraphrase it because I do not want to read them out and bore people to death.

In 2.5 it talks about the GWP, the dependencies, which obviously cannot be taken into account in this particular policy letter, but we will be able to take the policy letter into account in GWP3, which I think would be an excellent idea because it will give us some indication of what we can afford and the ramification thereof.

In 5.14, it says quite categorically that the proposed increase by 2040 will not suffice for our financial needs. So there is other work to be done and I think probably Deputy Soulsby, Deputy de Sausmarez have also mentioned before about doing things differently. But certainly we are going to have to do things differently in the future because obviously just a population increase is not going to satisfy our financial needs.

In 6.1, it says quite categorically, again, it is only one part of the challenge posed by our demographic timebomb, and we have spoken a lot about that. Several Members have mentioned it. We certainly cannot carry on as we are because we are going to have very different requirements, I think, and I am certainly very happy that the intention to look at, dealing with our health issues, as we discussed earlier today, is part and parcel of perhaps responding to that.

In 6.23, adopting the strategic population objective illustrates the importance of ensuring that Islanders know the services they can and cannot expect to receive and the cost of doing so. And I think that is really quite important because I think we do have to analyse to what extent we can support the services we currently have or what it is going to cost us if we are going to continue to increase all of those.

Finally, on 6.27, this policy will enable the States and the Island to plan for the long term. I think that is probably the key issue altogether. We have to plan. I know I bang on about this quite a lot, I know it rather bores perhaps Deputy Roffey but actually if we do not have a plan then we will plan not to succeed but we will plan to fail. So please, Members, do realise that this is the start of a

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journey, it is part of the response to the problems that we face, but it is by no means all of what we actually need to do.

Thank you.

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The Bailiff: Deputy Taylor.

Deputy Taylor: Thank you, sir.

I just want to start by picking up on a point that Deputy Gollop made towards the end of his speech, which was in relation to Proposition 10. I think it was slightly tongue in cheek in suggesting, because we did not have the information to support his and Deputy Blin's amendment, that we do not have the information to support Proposition 10, which is removing the adaptation, I think, in Proposition 10, to the MTEP.

That is a recommendation that has come off the back of a huge amount of research by lots of different people with lots of input. I do not think he was seriously suggesting Members do not support that but just to double check, I think that they can reiterate that they should support that Proposition.

For me, I just want to request, before I forget, that Proposition 8 is taken separately, and Proposition 1, as well. As part of the Committee I am supportive of all the proposals but Proposition 1 is one that I could not support unless it was amended and Proposition 8, which has not really focused yet, but Proposition 8 is the direction to Policy & Resources to consider, at some point, financial incentives for key individuals for the finance industry.

In theory I support the concept of that but it feels like it is not really outside the box enough for me. I have heard lots of issues, whilst I have been on Home Affairs, looking at recruitment. Not necessarily looking at recruitment, looking at retention, where we have employed key staff, we give them these relocation allowances and we give them rent subsidies but then when the rent subsidy disappears, it is no longer viable for them to stay in the Island.

I always think that just by increasing those subsidies, we are just delaying the inevitable and I just think here, if we are looking to give financial incentives to these people, they are in these key roles, that are so key to the finance industry, they should be able to afford to live here and I just think we would end up needing really deep pockets if we start going down those routes.

I would rather see, not so strongly, because I do not think it would get support, but I would rather see the financial incentives at the other end of the market for hospitality, for industries that are there that provide the enjoyable living environment that I think Deputy Queripel was sort of alluding to and then if those are the things that are really attracting people to come and live in our Island then we should not need to give them a financial reason to do so. I think that is the better, longer term goal, But I do not think that will be supported. It is not something I feel so strongly about that I would bring an amendment but if I could have it as a separate vote at the end, along with Proposition 1, that would be magnificent.

Thank you, sir.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Thank you, sir.

I want to share a little bit, very briefly, about my own path. I probably must declare an indirect interest, I guess, in this, that my family would be subject to Population Management, as we have come here as non-indigenous people, as the Chief Minister would say.

I have enjoyed the immigration path in six different countries and more than a decade ago we came here with my husband and we have chosen to settle here. We have chosen to settle here not because there is or there was a bowling alley, but because for the first time we have really felt a real sense of community of living here. Perhaps because previously I have always been in multi-million people cities and this was the first time I lived in a small community. It was really the spirit of

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community and quickly integrating and being part of it and playing a role that made a difference and then led me to wanting to contribute in a public capacity.

This is where I think, I have a sense of some contradiction in the policy paper because the very strategic objective that we have identified, number one, is that desire to increase our population and to maintain the workforce by 2050. But at the same time there are a number of things where we still have restrictions in terms of how long people come and stay, how we treat those, not even ourselves, but UK considers low-skilled or high-skilled.

We effectively force those people on short-term permits to live in shared accommodation, whether it is Local or Open Market. They cannot bring dependents and we are also looking, through Proposition 7, and the amended Proposition from Deputies Brouard and Ferbrache earlier today to potentially restrict what public services they might have access to or how they have access to those public services and charge extra insurance or other.

There is a real risk we are creating this real inequality and two-class society. Those we consider valuable, the right people to come here and stay, and those who are just this transitory force, upon which we will continue relying. This goes to the heart of how immigration can cause problems and why immigration issues do remain critical, sometimes cultural issues, in many countries around the world and you see, just recently in the UK, with the gone Home Secretary, the type of views that can be held.

I really would hate Guernsey to become a place like that where there is a them and us attitude and I would really urge this Assembly and all committees to be conscious about that because when people move somewhere, it is not something, you look for a quick job and you just move and then you can go back to your country or whatever. It is very complicated to move, to relocate, sometimes to break ties with your home countries. You can just sometimes quickly come back and so let us not treat those people just as a utility, as just workers who come in to fill the jobs that otherwise no one else wants to do because often they are the hardest jobs, the most thankless jobs, the most low paid jobs. Please let us continue keeping that in mind and let us not treat those people with that attitude of just workers.

I wanted to bring attention to some of the Propositions and I am thankful to Deputy Taylor for bringing up Proposition 8, because I was going to ask Deputy Prow about it because I did not quite understand what it was trying to do. I suspect that what it was trying to do is what Deputy Taylor said, which sounds quite ironic because what we are saying, he was specifically talking about some of the staff in Home Affairs and the difficulty in retaining some of the staff, so indirectly this amendment is potentially seeking to give fiscal preferential treatment to workers at Home Affairs, potentially, which would be, again, a contradiction to the whole policy paper because we are trying to make sure –

Deputy Taylor: Point of correction.

The Bailiff: Point of correction, Deputy Taylor.

Deputy Taylor: Sorry and I am not sure if I did interpret what Deputy Kazantseva-Miller said there but I was not suggesting that that direction would be giving preference to any Home Affairs staff. Just to clarify that.

The Bailiff: Deputy Kazantseva-Miller to continue.

Deputy Kazantseva-Miller: Thank you, Deputy Taylor. I think it was in relation to Deputy Taylor mentioning there were staff that had benefits like rentals and once those benefits expired, so I took it to mean that perhaps it related to Home Affairs staff.

I would not be voting for that Proposition unless I hear something different from Deputy Prow and I am not sure this is the way. Perhaps it could be looked differently through the Budget discussion but I cannot see the reason for this Proposition and how that supports some of the

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strategies and the challenge we have, such as, Deputy Taylor again alluded to the recruitment of the people on short-term permits. I would like, perhaps, to maybe have some clarification from Deputy Prow on that point.

I think Proposition 13 is really, also, important and I look forward to the Committee bringing back proposals on that. Again this is the classic situation where if we really want to have a sustainable workforce and to incentivise our young people and people to stay here, I think it absolutely makes total common sense to ensure that the children who are born here or young people who have lived here have as easy pathways to residency as possible. Because they have the biggest link to Guernsey.

The other thing I wanted to point out is Proposition 14, which is in relation to Committee *for the* Environment & Infrastructure opening up, potentially the Open Market transfer register. I think it is actually quite interesting from an Economic Development perspective and really allows us to start using the tool of Open Market a little bit more. I think that is quite an interesting proposal and I am thankful to the Committee *for* E&I for bringing it forward.

I think overall we have set the ambition to grow the population. I do not know actually how we are going to get there and I think very quickly we will realise we need to be much more flexible in how we allow to bring people in. I think to me there is still a slight disconnect about the ambition and the actual levers and controls we still have in place and I think quickly we will have to re-look at them.

Thank you.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

Just starting with the Propositions and a couple of questions, I would ask if possible, first of all, obviously, the Propositions in which E&I are directly invoked, Propositions 4 and 4a, Deputy Kazantseva-Miller has just referred to the Open Market inscriptions policy, which is a work that is already under way, and of course we have got the other Proposition, which relates to the infrastructure, which was brought in as a result of Amendment 1. So I am sure I speak for the Committee in that we are looking forward to cracking on with those.

I would ask, though, for separate votes on 1 and 3; I think not 1a, I would look for some advice on whether we are able to take 1 and 1a separately because I would like to vote different ways on them both and the Bailiff is affirming that is the case, so I would ask for separate votes on 1 and 3 and possibly 8, so that that can be informed by Deputy Prow's answer, because I am very interested in that question as well.

I do think, I respect the result of the debate on the amendments, the amendment that Deputy Roffey brought and I seconded, to try to lower the strategic population objective, but I still do not think I will be able to vote for Proposition 1, because I do not think that is the right strategic population objective and I do not think I would be able to look the community in the face, I do not think that aligns with what I feel is genuinely the right option for the Island.

So I think, regrettably, I will have to vote against that one and its sort of counterpart, I suppose, in Proposition 3, but I will happily support the others with that one question mark over (a), which will depend on the answer that Deputy Prow can hopefully provide.

I am very much looking forward to the birth right privilege being reviewed. I did not vote in favour of that first time and I will very happily vote in the same way again. And it is a shame Deputy Prow has just stepped out of the Chamber because he might not be able to hear this, but this is ... oh no, he is still there! He is so quick in his new age!

I have got a question, I am not expecting him to know the answer to this but I think it is maybe something that the Committee can look into when they look into the issue raised by the amendment brought by Deputies Gollop and Blin this morning, which is how many MTEPs, which obviously these Propositions seek to get rid of, how many of those have actually led to the long-term residency, which is flagged as a risk, because they of course are five years. I hope that question makes sense.

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I am happy to clarify in an email or whatever, if not. As I say, I am not really expecting an answer on the hoof but maybe it is something that the Committee can look into in more detail, as and when they give consideration to the issue that arose from the amendment before lunch.

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But I do not think I will be able to support the strategic population objective because I just am not persuaded that the costs will balance out the benefits. I think they will outweigh the benefits and I think perhaps we have not yet got a particularly clear understanding of what those costs will be. Some will be financial, others will be material in other ways, and this really does speak to the issue at the heart of this, which is that dependency ratio and the fiscal relationship between workers, people who are working, and people who are not working.

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I am really glad there has been a lot of focus on productivity and participation and I really hope that can be a serious focus of this work, going forward, to try to bring the numbers we will require down. Because I think every notch that we can bring it down will help. I do not think it is a linear relationship, either.

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But I think Deputy Roffey, when he opened on his first amendment, did bring our attention to the example of Jersey, who had a real go for growth. I am not sure if I have got the right slogan there, whether I am confusing it with something more recent, but a real go for growth policy, and he pointed out that although gross GDP did go up, GDP per capita did not, or not very much. It went down, actually, he is reminding me.

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So I think that is a lesson that we need to heed. We need to be very mindful of that same risk here. And that is even GDP per capita. I have got real issues with GDP. I do not think it is a very accurate measure of the things that really matter.

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Now I know that the previous States comes in for a bit of a kicking quite often but one of the things the previous States introduced, which I think has been a really positive benefit, has been the monitoring of the Better Life Index, a sort of Guernsey-fied version of the OECD measure, so we can compare ourselves against other jurisdictions. That information, if anyone is interested and has not yet seen it, is available on gov.gg and it does give us an idea of how we fare, relative to other places, on the things that really make a difference to quality of life.

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There are some standouts. I have just looked at the most recent report. On many indicators we do pretty well. We are a fairly safe place to live and our life expectancy is high, which I know is not necessarily great news for Deputy Brouard! But there are a few red flags in there, as well, so I think we are up there among the absolute highest, when it comes to household expenditure as a percentage of household income, and I think Deputy Kazantseva-Miller was quite right to highlight the issue of inequality and I do think we need to keep a very careful eye on how our GDP is translating into quality of life issues.

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Employment is one of the things that we do not perhaps fare quite as well as the policy letter might lead us to believe. We are slightly better than the OECD average but we are still well behind the likes of Iceland, Sweden, Switzerland, Japan, New Zealand, Denmark, Germany, Estonia, Netherlands, Norway, Lithuania and the UK.

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Now one of the things that I am most nervous about, in terms of the strategic population objective, is the land requirement and Deputy Fairclough earlier did a really good job in bringing some of those statistics to life and highlighting those and he was also quite right to highlight the issue of density and it is something that comes up a lot around the E&I table.

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I think there is a growing consensus that this is a nettle we need to grasp. The IDP does allow for greater density but it does not necessarily stimulate, encourage and lead to the implementation of it and that is something I very much hope, I know Deputy Fairclough said the IDP review is too late, but I very much hope that the DPA will undertake, when doing the IDP review, to look at ways to make those policies much more effective and I would also caution that it is not just as simple as going up rather than out.

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That of course is a big part of it but it is not the only factor and transport, actually, relates very closely to this and if anyone needs to understand how, there is a very good visual example, if they would like to look at an aerial view, which can be found on a popular internet search engine, of Sir Charles Frossard House and if they look at the footprint of that site and they look at the amount of

that footprint that is taken up by the actual building, which is the economically productive part of the site, they will see that it is absolutely tiny compared with the rest of the site, which sadly is not this wonderful public amenity, it is very much surface parking.

That is an example of inefficient land use and we are focusing on the economically unproductive part at the expense of the economically productive part and obviously if you translate that into housing you can understand how much of a problem that is. Also, transport is not the only thing that influences density either. So density is a sort of multi-tentacled thing but I really would urge the DPA to look at that and I am sure that E&I would be very keen to work with them on making those policies more effective.

Deputy Fairclough also raised another interesting issue, which was about youth leaving the Island. I think again, I do agree with him to an extent, but I think it is a lot more nuanced than that. I would caution against being scared to let our youth go. I think there are many areas in which, many professions in which, we cannot develop our young people here on-Island. We need to be able to let them go and ideally get them back after they have had that necessary training and experience elsewhere.

For example, it is just not possible to progress through the ranks of becoming qualified as a GP who can practise here, on-Island, or a consultant, in secondary health care. So it is really important. We are not a country, we are not a jurisdiction the size of Canada, which of course does have a much broader range of occupations, and I think we do need to recognise our limitations in that respect and adapt policies accordingly.

So I think young people leaving the Island can be a really good thing and I think we need to focus on that slightly more nuanced picture and not be afraid to let them go. But anyway, I just finish on reiterating where I opened on this debate, a few amendments ago, which is to thank Deputy Prow in particular, for leading the conversation leading to this policy letter in this very difficult subject, in a really exemplary and collegiate way.

Thank you.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Thank you, sir,

I would just like to reiterate what Deputy de Sausmarez just said. I would like to thank the Committee and the officers for all the hard work put into this policy letter. Clearly, it has been very comprehensive and whilst – similar to Deputy Taylor actually, I think his points he put across very much supported where I was – I cannot accept all the Propositions, I do think it is a well put together policy letter and I do thank them very much.

Of course, this is a Chamber where we are meant to debate and it would be a really sad situation if we came in here and just nodded through everything that was put to us. I know Deputy Prow understands that and I am sure he will distance himself from some of the other comments that have been made here over the last few days.

I do also welcome the desire to bring the population and immigration teams together. I know this is something Deputy Prow has been working towards and really eager to do. It makes total sense and he has got my support, and I am sure the rest of Policy & Resources Committee, for that work and we will help him as much as we can to make sure that does happen.

There are clearly going to be savings, I would say, available here but even if not in a financial sense it will make the procedure and what the public experience that much better, so I do wish him well in that work.

I just thought I would reference, I think it is also important to know, in that context really, about long-term employment permits. We talk about them but we are not quite sure, well, who are these people? We kind of assume they might all be people in the finance industry or possibly a few of the more senior roles in hospitality but the actual truth of it is, over half long-term permits are issued to public sector employees. So that covers those in education, health being primarily the case, but also Law Enforcement and other sundry areas within the States of Guernsey. So I think the more

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efficient and effective we can be in managing that, particularly given that information, the better, I think.

I will just make a few comments on the back of what Deputy Blin said earlier about the Population Management system. I think it is when he said the Population Management system was brilliant when it was brought in; I have to say I do disagree with that, absolutely. It was out of date the moment it was brought in. It took 10 years for progress through all manner of consultation. I think it was either two or three States' terms it went through and really, by the time we did approve it, it was past it sell-by date. Things really had changed. The circumstances in which we are in.

I know it was last term Deputy Ferbrache was saying get rid of it, it is past its sell-by date and why are we doing it. Now I think he is seeing a more nuanced position, which is very understandable.

But there were issues in terms of short-term employment permits and I think when we originally debated the policy letter at the time, we had a lot of concern from industry around those permits because they did not want at the time, the officers particularly we were being told and the Committee responsible at the time, having nine months on, three months off.

If you were here for nine months you had to be off for nine months. We said that is daft, we have got industries where it is seasonal work, so how you could have nine months off, it is completely out of sync. I did lay an amendment at the time, which did not go as far as I wanted; ironically I was told what I really wanted to do was dangerous. Well we got as far as we could at that point in time so we could have those seasonal workers. It did work for them. But it still did not work and I am glad to see Deputy Gollop nodding. His memory might be better than me on this but I do remember very much that was as far as we could go then.

We did bring it on further, which did help the seasonal industries but then a few years later, lo and behold, we had amendments to the Population Management regime, bringing in exactly what I had proposed back when we were debating the original policy letter. So I know, when people say, how dare we consider the amendments that Deputy Kazantseva-Miller and I put forward, how dare we, it could go against everything we are told, it is dangerous.

I just say be very careful because those comments now might come back to haunt people later on because things may well change and, given what is happening in the UK, the state of flux, the fact that their system is not working for the UK right now, I would be very surprised if not this Committee *for* Home Affairs, the next Committee *for* Home Affairs coming back to this place and saying, 'Well, actually, we might need to change things.

Just bear in mind that those things can happen and I hear what the Committee are saying now and I accept what they say. So really, I would just like to thank the Committee again for the work they have done and thank them for all that.

The Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, sir.

I will not be too long. I can imagine that if Deputy Inder were in the Chamber his finger would be twitching over the guillotine lever and I did promise Deputy Vermeulen I would try and keep it short so I think I can make it under half an hour. Maybe a little less!

In many ways, although it is late on a Friday afternoon, this is a very fundamental policy decision, perhaps one of the most fundamental policy decisions that we have made. In a lot of ways, this is more significant than the Budget at the next Meeting and even the Tax Review. This affects the future character of Guernsey very substantially and we absolutely must change how we do business across the board, with a view to making ourselves more competitive and more attractive to young people and families.

I think that has emerged very strongly. As Deputy Trott alluded to, the need is to improve our demographic profile and the requirement is for younger people, both to retain young people on Island, encourage those to return who have moved overseas and to encourage families and young people to move here.

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Setting the number at 300 does nothing on its own, or at least very little. Real changes happen when this revised number is taken into account in assumptions in policy areas covered by mandates of all States' Committees. The first issue is can we accommodate 300 net additional people per year because if we cannot then just setting the number to 300 does nothing.

Deputy Oliver was slightly misquoted, I think, in the *Press* yesterday, as suggesting we might need not just new local centres but a new main centre, but perhaps we do. Deputy Taylor suggested this would need an area of land equivalent to the central part of St Peter Port to accommodate the additional housing. But however we do it, it will be a challenge.

Of course the highest priority must be given to brownfield sites and we do need to consider higher density such as building up to a much greater extent than we have done. But in other Committees there will be many other challenges. Environment & Infrastructure will have to plan for substantial infrastructure changes and particularly around traffic capacity. We have a road network that is largely based on a horse and cart network and simply is not suitable for increased volumes and that is going to be a real problem.

In Health & Social Care, we will be looking into insurance for newcomers, which I think is something that is a necessary change that probably should have been in place before and of course how to accommodate additional numbers. Economic Development will have to accommodate many changes but in a lot of ways additional staff is the top ask that businesses have been looking for, so in many ways this policy is just the beginning of what businesses have been asking for.

But in Education, Members may recall during the debate on secondary education I championed a model, along with Deputy Le Tocq and Deputy Brouard, for a three-school model with all schools being 11-18 schools and having sixth forms. It was considered in detail by ESC officers and actually came out favourably for both capital and revenue and other things such as educational standards, but the most substantial objection from ESC was that, over time, the school population would decline in such a way that it would make the numbers non-viable, or at least one sixth form would have to close. Now that assumption, in the light of this new population review, is clearly no longer reliable.

But this is actually important because many sources, such as UK estate agents, show that the number two factor, after house price, that people look for when looking to relocate, is the quality of local schools and, in particular, the Ofsted ratings. An outstanding local state school makes an area much more attractive. Now two of Guernsey's state schools have recently received inadequate ratings. St Sampson's put in the bottom 7% in UK terms. This is not good enough. If the Island is to prosper and attract families to stay in the Island, this needs to improve.

Across the board the Island needs to look at what we can do to improve to make ourselves more attractive as an Island. But I will be supporting all the Propositions.

Thank you, sir.

The Bailiff: Deputy Oliver.

Deputy Oliver: Thank you, sir.

Just really quickly, I think yesterday, when we came for the 200 and the 300 units, I just said well really it does not really matter, inasmuch as we will only get what we get inasmuch as people that want to come over and it does have a bearing within the property and I completely understand that. I know the amount of opposition I get for quite small developments, really, of 63 houses, so how are we going to increase that to a lot more with a higher thing of 300?

But the one thing I would say is I think it is better to over-plan the allocated housing sites. If you plan for 300 at least then we will have potentially 300 sites and that is not saying they will all get developed because some of them will be hit back and developers will only build what the market demand is.

So that is why I said in many respects, 200, 300, I think that if we also look back to 2017, we had four years of a consecutive downturn in net migration. Minus 356 one year, minus 173 another. I think we had plus seven and then we had a minus 200. I think what we do need to be careful on

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and we have touched on it in this debate, is we still need to make Guernsey attractive. We need to make it –

Go on then, I give way.

Deputy de Sausmarez: I thank Deputy Oliver for giving way and I appreciate and agree with her point that if housing sites are allocated then not all of them need to be developed but I wonder if she would agree with me that when it comes to planning the infrastructure around them, it does not work quite as simply as that? It is a more complex thing.

Deputy Oliver: Yes and no, but infrastructure has been built around the Data Park for I do not know how many years and nothing has actually been done with it so infrastructure can be built in but I do understand it is not a good use of resources. I will take that.

But then you have got so many processes in that, development frameworks then you have got the planning, that actually infrastructure, by the time it gets to the development frameworks, you can kind of work around it a little bit more and I think that is where the joined up government just has to become a lot better and really actually work through these things together as committees.

But going back to the population, I just think that with any population, whether this is right or wrong, what we are doing now, I do feel that our hand is slightly being forced in respect to England but, as they say, we are where we are and I just hope that if this is not working that we will be quick enough to come back to the States and say, actually, it does need changing and we need to change X, Y and Z for these reasons and not spend so long, because I know this review started last term and the review never actually came to the States and then it is only this term that we have actually brought something.

It has taken us two years within this term to bring something back to the States. Now that is not a nimble kind of thing to be able to change. One question I did have for Deputy Prow is that we are getting rid of the Population Employment Advisory Panel and that –

Deputy Prow: Point of correction.

The Bailiff: Point of correction, Deputy Prow.

Deputy Prow: The policy letter does not recommend getting rid of it, the Population Employment Panel. It recommends changing its role, in fact widening its role.

Thank you, sir.

The Bailiff: I think that is right, Deputy Oliver.

Deputy Oliver: Okay. Sorry, I do apologise for that.

If we are going to widen this role, the Population Review Panel is only as good as who is on there and who is leading it and, for the last few years, we really have not heard anything from them. It might just be that it is coming just straight to the Committee but I do think that we need to do a lot more work on actually making people aware of it and if some employer is really struggling to get employees, because it is a short-term permit and they actually think it needs to be a long-term permit to go straight to the Committee and say, 'This is not working, this needs changing.' And if it can be possibly changed then that would be good.

But then I do understand we are limited to what England is doing. But we do need to be able to have a certain amount of flexibility to be able to do something differently to England if we require and I just hope that, again, if we do need to change it, just to really be a lot more nimble and to come back to the States a lot quicker than it has taken for this review to happen.

Thank you.

The Bailiff: Deputy Mahoney.

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Deputy Mahoney: Thank you, sir.

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I would just like to quickly add my thanks to the Committee *for* Home Affairs for all the work that they and their officers have put into this very comprehensive policy letter. I certainly will not waste the Assembly time by revisiting the matters that have already been raised by previous speakers, especially as I think pretty much everything has been raised, from school reports to sexing chickens.

A couple of Members have raised Proposition 8 and noted their opposition to it and since it relates to employees I felt I should just comment with that particular hat on. As I am sure everyone knows, matters concerning pay and terms and conditions are very complicated, especially when it comes to allowances, etc. and why we are doing what we are doing. I think the best that I can do to briefly sum it up is to misquote Harold MacMillan. When asked what was the hardest thing about being a statesman, his reply famously was, 'Events, dear boy, events.'

What I would say in reply is to say, why we are doing what we are doing is circumstances, Deputy Taylor, circumstances. Those matters are being looked at and worked on and, sir, just while I am on my feet, can I just request, if it is possible, that Propositions 1a and 4a are split out, but if it is not possible, so be it.

The Bailiff: Sorry, what was that, Deputy Mahoney? 1a will be taken separately anyway but you would like 4a taken separately to Proposition 4?

Deputy Mahoney: Yes, please, sir.

The Bailiff: Very good. I will note that.

Deputy Blin.

Deputy Blin: Thank you, sir.

I would like to ask when the summing up by the President of Home Affairs, is given the fact there was an extensive debate on Amendment 8, we can choose that one next time, if he could consider a timeframe when he could give a response of when the question over the matter of the four years could be looked at would be very much appreciated.

Also, just in response to Deputy Soulsby about the Population Management since 2017, the reason I say it was a very efficient piece of legislation is because it was all based on the role, no longer on the person, everything worked very well. However, when you mention the nine-three, that is something I personally never really appreciated.

If you look at the situation of people coming in from Africa and overseas, travelling all the way here for nine months and then having to pay to go all the way back again and pay fees and everything, that is just really difficult. But it still comes back to we should be finding ways to make it efficient for businesses to be able to recruit and do what they do best.

Also I would like for the President to consider in summing up looking at other categories within the new one-plus-one-plus one, three-year STEP, for other categories, from whether it be retail, whether it be nurseries, care, there are all these areas, which really do need looking at, and I would also offer my services to the President of the Committee, if I can ever assist in any of these matters with experience.

Thank you, sir.

The Bailiff: As no one else is rising to speak in general debate, I will turn back to the President of the Committee, Deputy Prow, to reply to the general debate, then, please.

Deputy Prow: Thank you very much, sir.

I will do my very best to reply. I will only perhaps deal with the salient points and questions but I will do it in order of speakers because that is basically the way I have done my notes. I might have to duck and dive between my computer and some prepared notes, so please bear with me if there

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is a pause. It does not mean I do not know, well it does not necessarily mean I do not know what I am talking about but it means I am searching for the answer, which I know is somewhere there.

Can I start and perhaps get out of the way this has been a long debate, complex, technical, policy, business interests, the economy, taxation, upskilling and so on and so forth and I thank everybody, who has contributed to that debate, whether they are putting in challenge, and I agree with what Deputy Soulsby said, challenge is good, challenge is democracy, and that is a fundamental part of what we do.

Perhaps if some of the comments and the way they were expressed by some Members was not appreciated, just one thing I would say is, challenge, if you give it you have got to take it. So thanks to everybody who has entered into the debate. I think I can incorporate my final conclusions in going through what people have said, sir.

I start with Deputy Inder. I thank him very much for that GIBA message. We did consult with business. We did a presentation to business and we have had, overwhelmingly, very positive feedback around the quality of the report and the thrust of it and I am very pleased that he brought that in

Deputy Queripel, I thank him for his support and his great interest in this subject. All the things that he has put in and I agree with him around the importance of Propositions 5 and 6, so I really hope they are supported, as he does. And some of the points that he has made I will also discuss with my colleague and friend, Deputy Dudley-Owen, in the margins as well, because he makes good points.

What the Island has to offer and the pull factor, quality of life, sports, culture, arts, I have got no argument with any of that. Of course the point he has come to is a question of balance and that is so important. This is a total package. It is okay poking around bits that you find uncomfortable and do not like. It is a balance but it is not only a balance, it is a conundrum. Some of the pressures on us, with population and immigration, they conflict, and that has all been well-rehearsed in the debate.

Deputy Aldwell, I thank her very much for her support. Helpfully, she put a bit of historic context in it and she endorsed the point that this is a snapshot of where we are but we are planning for the future in and we are planning for the future in a cross-committee environment. This report, although presented by the Committee *for* Home Affairs, is a review and the Presidents of the Principal Committees were involved in it and non-States' members and it was done, engaged with various stakeholders.

I would take this opportunity now to again thank all the subject matter experts. We did surveys, everybody who participated, which has made this a comprehensive document, which has received the thanks and praise from this Assembly, which I am very pleased with.

Deputy Fairclough. I thank him for his broad support. Basically, in his opinion the guts in Propositions 5 and 6, it pulls together strands that run through it and I do not disagree with that. I cannot argue necessarily in his expressing the need to see the guts of it. But all the Propositions are a package. So they all tend to tie in.

He asked me quite a few questions. He asked me some, I think, three specific ones. On the other ones, perhaps I can have a conversation with him outside of the Assembly and if we need to share that with other States' Members, I can discuss with him. He did ask some specific questions around – and I am ducking and diving, sir, not very successfully – he asked three main questions.

Section 5.9, what is the basis for 85 out of every 100 people will be an economically active age? This draws from the data in the published annual Guernsey population projection bulletin on page 10, most recently published in December 2021. This data showed that 85% or net migration occurs in the economically active age group. Now that is a point that is about attracting young people and the demographic, so hopefully that is helpful.

Do we have a definition of key workers? He is right. This has been flagged as something that needs to be developed, but this needs to be across Government and I do not think it is helpful just to do this in a Home Affairs, Population Management and immigration context. We need to have these definitions across Government but he makes a good point and there is further work there.

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STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

How long is the recognised break in residence? The quickest answer I can give to that it is defined as a break that is equal or greater than the period spent residing in the Island. So, for example, if you reside in the Island for three years, then you need to take a recognised break of three years. I hope that answers that.

I can move on. I think he was supportive of the idea that we reviewed in 2027, every five years. And he is right, there is much to do around the employment permit policy. Please bear in mind that that policy is evolving and flexible and what the decisions that we make today is that we continue to do that.

It is an evolving process and a lot of work can be done on it and a lot of suggestions and challenge that has been put forward can be fed into that process and the great thing is that, because the way that the Population Management Law is framed, we can do this by making policy. It does not have to necessarily come back to the Assembly, unless of course we do need to change the Law

I liked his phrase that he used about our decision-making, we are matching what we do with imperatives. That is not a direct quote of what Deputy Fairclough said but I hope that gets there.

Deputy Leadbeater, yes, the challenge on red lines and the CTA, I am confused about the challenge. Not necessarily the challenge that is received in main debate around this. Is it overstated? I tried to explain previously in the debate, the Common Travel Area is a creature of statute. It is a concept that we have had enshrined in the Laws, not only of the UK, but in the extended Acts here, the extended Acts in the other Crown Dependencies. It is not some sort of club. I do not think it has ever met at a political level. I stand to be corrected but in my experience it has not.

We are talking about risks and one of the risks I have already tried to cover off, one of the risks is making decisions and policy making on the floor of this Assembly without subject matter experts or the Law Officers' input and that is part of the risk. Judge it for yourself. Is it overstated, is it not? Again, I am going to have to refer to section 9.5 of the Immigration Act 1971 enforced in the UK. It says, this is an ability to make secondary legislation, stroke of a pen stuff:

If it appears the Secretary of State, necessary to do, by differences between the Immigration Laws of the United Kingdom and any of the Islands, he may by order exclude that Island from Section 1.3 above, for such purposes may be specified in the order and references in this Act for the Islands shall apply to an Island so excluded so far as any may be provided by order of the Secretary of State ...

- as we have already discussed, whoever that might end up being.

So that is the Law of the UK. That is the position. If we are referring to the red lines or whatever language we are using is overstated, well I am sorry, we are just flagging up a risk. On that point, we have talked about the terms around legality or whether something would be legal or illegal. We are actually really talking about risk of challenge and my understanding is that policy direction that risks that sort of challenge is bad law. I am absolutely sure that the Law Officers of the Crown in Rule 4 would not let us come back to this Assembly with legislation that has those risks.

The point is that we are discussing policy. When we come to discuss actual legislation we do it in a separate section of our Meetings. So whether it is legal or illegal would only be a consideration once you have a policy letter that directs the legislation. I think that is a point. In particular, H.M. Comptroller did agree with the subject matter experts on Amendment 8. I leave that to Members to decide where that all gets us.

Oh, yes, I am confused about the points. I wish I had had in front of me a copy of Deputy Leadbeater's speech, when replying to the amendment of Deputy Kazantseva-Miller, because on one hand the debate has said we should have every occupation that is on their list on our list. But I think he ably demonstrated in his speech why we do not. What we do here is we have an employment permit policy and the fundamental point of that is if there is an evidenced skill shortage then that gives those on our list, not the UK list, and we can bring people on.

Where the red line comes in is all about routes to settlement and if somebody can come and find a route to settlement through any of the Crown Dependencies, that is where the red line risk is. It is not the other way around. I hope that does explain the position.

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So, robustly, I think we said. We are not trying to scaremonger anybody, we are trying to put over in a well-researched report what this Assembly needs to consider. That is it. Okay.

Moving on, sir, to Deputy Gollop. He, as I do, agrees with Deputy Queripel, his points about arts and culture and he actually helpfully said we need to avoid challenges with the UK with the CTA. We can have some limited dialogue with the UK and certainly that is something we would encourage. But at the end of the day, we cannot do things here that would provide routes to settlement into the UK. That is the red line that we are talking about.

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He went on to say he is not a fan of complete integration around population management and immigration. That is not what the policy letter is saying, the policy letter bends over backwards to try and inform that there are two separate pieces of legislation doing separate functions. I will not repeat them. But where I did agree with what he said is the one-stop shop. That is about providing to business and to applicants a one-stop shop, which in the application process, teases out the permissions that individual applicant wants and applying it whether it is under completely separate legislation.

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There is no way that we could, at the moment anyway, merge together two pieces of distinct legislation, which do separate purposes. It is not the first, it is not implication, it is the second. It is the one-stop shop.

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He talked about the routes to be investigated around the Population Management residency rights and he is right, that will be reviewed by Home Affairs and we will come back as directed, if that Proposition is passed. He said he did support the Open Market pathways, as do I. Certainly that is a workstream that is dealt with.

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Deputy Murray, I thank him. He helpfully answered Deputy Queripel's questions. He certainly gave a very helpful undertaking and I support that. I also thank him because he did give the compliment around the excellent policy letter, which other Deputies have, and I thank them all for that. He actually went through specific sections, in particular 2.5, 5.4, 6.27, all dealing with the Government Work Plan dependencies and highlighting work that needed to be done. He is right, they are cross-committee. That is what this policy letter is all about, work continuing to work across Committees, ESS, E&I, Economic Development and other Committees and of course Home Affairs. He is right. This is to underpin a plan for the longer term and that plan will evolve and be reviewed.

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Deputy Taylor, again, I thank him for his support and I thank all my Committee most sincerely. We worked really hard on this and he in particular did put in a very helpful challenge and he said so, it is reflected in the policy letter and he asked for item 1 to be split out in the vote. That is a matter for you, sir.

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Deputy Kazantseva-Miller, the first thing I must say is that I thank her for the challenge, I thank her for the work that she has done on this. I thank her for her contribution to the debate. I sincerely mean that. I am a democrat. I believe in challenge. I believe in listening. But there were things that were being suggested that we felt needed some quite robust challenge.

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One of the things you have got to remember with this is the package. It is about a balance. A word that has been used before. If you have got a card house and you start removing two cards from it, the whole thing can collapse. So, particularly where the subject matter experts were cautioning us against some of the suggestions that she made, we made our comments on that basis.

A lot of talk about short-term employment permits. Again, I go back to this is about gaining a right to settlement and it does tie in to Article 8. But whether it is a population management or immigration consideration, what we have to think about is where they have a right to reach settlement.

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We have talked about net migration and net migration can only increase if workers are allowed to bring their dependents and if they gain sufficient time living in the Island, where they can start to employ the Article 8 route. That is the situation.

I was asked for an explanation of Proposition 8 and you will have to bear with me because I have got that on my computer. Okay, I apologise for that; my computer logged itself out. Right, okay, so the answer to the question, actually, is contained in paragraph 6.36 of the policy letter:

STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

... in order to ensure that Guernsey is competitive in maintaining economic substance, the Review is recommending that the Policy & Resources Committee undertakes a review of arrangements to ensure the competitiveness of Guernsey as a place for those individuals who are critical to finance sector business' economic substance, and to make any changes that are required. Initial discussions with finance sector representatives indicate that useful areas to consider would be assessing if any greater flexibility can be applied to the tax treatment of relocation packages and benefits in kind that are offered to new posts and employees brought to the Island to help meet economic substance requirements.

I exchanged a note with the President of Policy & Resources, just to check that my understanding was right and I got a very helpful note back, which I shall read:

Economic substance is a key factor if we have to comply with OECD policy.

He referred to the paragraph I referred to. He basically says, 'That says it all.' The general international rules, if they can be called that, have to be strengthened. So this is an international requirement so this is about, again, joining up the dots, I think that is an expression that is being used in this debate, that we need to do. Deputy Mahoney has helpfully added to that and I thank him for that, sir. So, I hope that that deals with that.

Moving on to Deputy de Sausmarez, one point I will mention here is I really do want to thank Deputy de Sausmarez and actually Deputy Roffey at this point because this was a complex piece of work and the way that any challenge or the Meetings progressed, their input was extremely valuable and I think that needs to be said because Deputy de Sausmarez was very kind to me and I thank her for that. But I also really want to stress that.

She teased out her comments around 4 and 4a and she talked about separating votes. Again, sir, that is a matter for you. She also highlighted, quite rightly, the discussion that came about from the late amendment from Deputy Gollop and Deputy Blin and she asked about the MTEPS. I will repeat what I have already said in debate on this.

The question that has been asked and it has been debated around, this is what the subject matter experts have said: MTEPs have not proven to be an effective permit type. They do not help business recruit or attract talent because of their five-year limit. Further, if a business does have an MTEP holder who has reached their five-year cap, they can often make a compelling business case to keep that individual, as would be expected after a five-year experienced training.

That argument has been rehearsed and expanded in this debate. LTEPs provide a boost to business seeking to recruit and retain good staff, should they wish to do so. They are issued for eight years and provide a pathway to established residence. Under the new policy framework, the vast majority of MTEPs will simply become LTEPs. That is a complicated process and it is work that is ongoing.

So I hope that does to some extent help – I give way to Deputy de Sausmarez.

Deputy de Sausmarez: I thank Deputy Prow for giving way. I will try and be very quick.

I appreciate all of that, that is all understood. My specific question, which I do not think he will be able to answer now but I hope is something he can bear in mind as and when this is looked at again is whether, if the risk of shifting from three years to four years, in terms of STEP, is about how close we get to the five-year line, to what extent has that risk ever been realised from our existing five-year mechanism, which is currently the MTEP. I appreciate why it is going, etc. So I am happy to explain more if that still does not make sense, but that is what I would like to get on record and I will pick it up afterwards, if needs be.

Deputy Prow: I thank Deputy de Sausmarez for that explanation around what she is seeking. I think it is quite clear from this debate and I have already agreed and I will deal with this now, I have already agreed to undertake that these concerns and the one that Deputy de Sausmarez has just articulated will be looked at by Home Affairs and we will come back to the Assembly when we come, once that piece of work is done.

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If I can now move onto Deputy Soulsby, I thank her for her compliments around the piece of work. I take her point and I support her around the view that challenge is absolutely vital and, yes, I agree with her, it was a well put together policy letter and again much praise has gone to the subject matter experts and Deputy Soulsby was adding her support to that.

I am very pleased she supports the work we are doing on bringing immigration and population together. I have hopefully covered off what that means, in response to Deputy Gollop's question. It is not merging the legislation, it is how we deliver it. It is delivering a service to applicants and businesses that is far more joined up and I think it will assist us all.

She spoke about the long-term employment permits. Again, the point is that this is a right to settlement and the holders are allowed to bring in dependents. She points out it is not just the finance, it is other really key areas, such as health, and specialist public service functions. So that takes us onto Deputy Matthews. He is right, these are fundamental policy decisions which underpin a lot of debates that are going to come down our way. I am not going to rehearse that. We all know what they are.

He talks about changing the way we do business. He is absolutely right. Some of this is in the hands of Government but some of it is not. So, again, more dialogue is needed with businesses and that has got to be ongoing.

He is right around bringing young people. We have talked about the ageing demographic and the policy levers around that are there. Just one point, where we start getting drawn into the plus 200, plus 300, we have different connotations if you put it the other way around. Again, stress the point it is an assumption that we need to use to see what we need to do in the future. It is not a target or an aim and in doing that, the Propositions around human capital, upskilling, pressure on the services, are all absolutely vital. It is a package and I implore Members to treat it as such.

Deputy Oliver, she clarified her point around the DPA and I am glad she allowed me to give way because I think I allayed her concerns to some degree. Yes, reviewing is good. It is built into the Propositions but of course Home Affairs will continue to review this. We have already. I have alluded a couple of times in this debate to appendix 2, which is about thinking outside the box, whether it is because of COVID or because of Brexit or just because it was thought to be a better way of doing it. We absolutely thought outside the box but we thought outside the box following advice from a subject matter expert with Law Officers of the Crown and we will continue to do that. That has got to be the way that is done.

I hope my intervention gave her some reassurance around what we can do in the PEAP, as it is known, the Panel, in widening their role and making them more effective, and I agree with the point around communication.

Deputy Mahoney, I thank you for your support, and for assisting us around Proposition 8. Deputy Blin, I have given an assurance and Deputy Moakes and Deputy St Pier made the suggestion about looking at the issues that he has taken great pains to outline. I have given my undertaking. As far as for a timeline, I think it is unrealistic for me to make any sort of promise standing here on this day.

It depends upon where I can find ncreasece to do it or where the Committee can find the resource to do it but a commitment is a commitment and we will come back when we have had time to digest this and when we can give sensible direction as to the way forward. I hope that is a canter through general debate and I ask all Members to support all the Propositions before you.

Thank you, sir.

The Bailiff: Members of the States, there are 20 Propositions. At the moment the first six of them, 1 to 4a inclusive, I have got requests effectively that mean that there will be discreet votes in respect of them. I have noticed that Proposition 8 is to be taken separately and I hope that means that I can take 5-7 inclusive in a batch, but I have also got people who want to vote separately on Propositions 10 and 11. Is that right? In which case 8, 9, 10 and 11 will all be taken separately. Is there anyone who wants to vote differently on any of Propositions 12-18, or can I take those collectively?

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Deputy Queripel.

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Deputy Queripel: Separate votes, sir, please, on 12, 14 and 16.

The Bailiff: So I can take 17 and 18 together. That is going to be a real saving, isn't it? On that basis, does anyone want to vote differently on 5, 6 or 7, or can I take those three together? Well, Greffier, I hope you have got that and I hope we have got a set of votes. We will take Proposition 1 discreetly and I invite the Greffier to open the voting on Proposition 1.

There was a recorded vote.

Proposition 1.

Carried - Pour 22, Contre 9, Ne vote pas 2, Absent 6, Did not vote 1

POUR Deputy Aldwell	CONTRE Deputy Cameron	NE VOTE PAS Alderney Rep. Roberts	ABSENT Deputy Bury	DID NOT VOTE Deputy Burford
Deputy Blin	Deputy de Sausmarez	Alderney Rep. Snowdon	Deputy Dudley-Owen	Deputy bullolu
Deputy Brouard	Deputy Gabriel	Audemey Rep. Snowdon	Deputy Falla	
Deputy de Lisle	Deputy Le Tissier		Deputy Le Tocq	
Deputy Dyke	Deputy Leadbeater		Deputy Meerveld	
Deputy Fairclough	Deputy Queripel		Deputy Trott	
Deputy Ferbrache	Deputy Roffey			
Deputy Gollop	Deputy Soulsby			
Deputy Haskins	Deputy Taylor			
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Vermoulen				
Deputy Vermeulen				

The Bailiff: In respect of Proposition 1 there voted in favour, 22 Members; against, 9 Members; 2 Members abstained; and 7 Members were absent at the vote and therefore I declare Proposition 1 carried.

Proposition 1a will be next, taken discreetly and, Greffier, if you are ready, I invite you to open the voting on Proposition 1a.

There was a recorded vote.

Proposition 1a

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Carried – Pour 27, Contre 3, Ne vote pas 3, Absent 6, Did not vote 1

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Helyar	Deputy Murray	Deputy Bury	Deputy Burford
Deputy Blin	Deputy Le Tissier	Alderney Rep. Roberts	Deputy Dudley-Owen	
Deputy Brouard	Deputy Mahoney	Alderney Rep. Snowdon	Deputy Falla	
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				

STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

Deputy Gabriel

Deputy Gollop

Deputy Haskins

Deputy Inder

Deputy Kazantseva-Miller

Deputy Leadbeater

Deputy Matthews

Deputy McKenna

Deputy Moakes

Deputy Oliver

Deputy Parkinson

Deputy Prow

Deputy Queripel

Deputy Roffey

Deputy Soulsby

Deputy St Pier

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Deputy Taylor

Deputy Vermeulen

The Bailiff: In respect of Proposition 1a, there voted in favour, 27 Members; against, 3 Members; 3 abstentions; and 7 Members were absent at the vote. So I declare Proposition 1a also carried. Proposition 2, taken discreetly, please. Will you open the voting, please, Greffier.

There was a recorded vote.

Proposition 2.

Carried – Pour 30, Contre 1, Ne vote pas 2, Absent 6, Did not vote 1

POUR Deputy Aldwell Deputy Blin Deputy Brouard Deputy Cameron Deputy de Lisle Deputy Dyke Deputy Fairclough Deputy Ferbrache Deputy Gabriel Deputy Haskins Deputy Helyar Deputy Inder Deputy Kazantseva-Miller Deputy Mahoney Deputy Matthews Deputy Mokes Deputy Mokes Deputy Mokes Deputy Parkinson Deputy Parkinson Deputy Pow Deputy Roffey Deputy Soulsby Deputy Soulsby Deputy Soulsby Deputy Bround	CONTRE Deputy Le Tissier	NE VOTE PAS Alderney Rep. Roberts Alderney Rep. Snowdon	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Burford
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The Bailiff: The vote on Proposition 2 was there voted in favour, 30 Members; against, 1 Member; 2 abstentions; 7 Members were absent and therefore I declare Proposition 2 also carried.

STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

The next one will be Proposition 3 on its own. If you are ready, Greffier, you can open the voting, please.

There was a recorded vote.

Proposition 3.

Carried – Pour 28, Contre 2, Ne vote pas 2, Absent 6, Did not vote 2

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Le Tissier	Alderney Rep. Roberts	Deputy Bury	Deputy Burford
Deputy Blin	Deputy Taylor	Alderney Rep. Snowdon	Deputy Dudley-Owen	Deputy Vermeulen
Deputy Brouard			Deputy Falla	
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
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Deputy Mahoney				
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Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Queripel				
Deputy Roffey				
Deputy Soulsby				
Deputy St Pier				

The Bailiff: In respect of Proposition 3, there voted in favour, 28 Members; against, 2 Members; 2 abstentions; 8 Members were absent, and therefore I declare the Proposition duly carried. Proposition 4, taken on its own next, please, Greffier.

There was a recorded vote.

Proposition 4.

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Carried - Pour 29, Contre 2, Ne vote pas 2, Absent 6, Did not vote 1

Deputy Kazantseva-Miller

Deputy Le Tissier

Deputy Leadbeater

Deputy Mahoney

Deputy Matthews

Deputy McKenna

Deputy Moakes

Deputy Oliver

Deputy Parkinson

Deputy Prow

Deputy Queripel

Deputy Roffey

Deputy Soulsby

Deputy St Pier

Deputy Taylor

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Deputy Vermeulen

The Bailiff: In respect of Proposition 4, there voted in favour, 29 Members; against, 2 Members; 2 abstentions; and 7 Members were absent for the vote. I declare Proposition 4 duly carried and the next one is Proposition 4a, which comes from Amendment 1.

If you open the voting for us please Greffier.

There was a recorded vote.

Proposition 4a.

Carried – Pour 28, Contre 3, Ne vote pas 2, Absent 6, Did not vote 1

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Helyar	Alderney Rep. Roberts	Deputy Bury	Deputy Burford
Deputy Blin	Deputy Mahoney	Alderney Rep. Snowdon	Deputy Dudley-Owen	
Deputy Brouard	Deputy Murray		Deputy Falla	
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Leadbeater				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Queripel				
Deputy Roffey				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Vermeulen				

The Bailiff: In respect of Proposition 4a, there voted in favour, 28 Members; against, 3 Members; 2 abstentions; and 7 Members were absent at the vote and therefore I declare Proposition 4a duly carried.

STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

Now we are going to take Propositions 5, 6, and 7 together. Will you open the voting, please Greffier?

Deputy Queripel: Could I have a separate vote on 5, please?

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The Bailiff: It would have been helpful if you had asked for that earlier, Deputy Queripel, but yes, can we manage that Greffier?

Deputy Queripel: Thank you, sir.

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The Bailiff: We will take Proposition 5 discreetly, if you will open the voting please, Greffier.

There was a recorded vote.

Proposition 5.

Carried - Pour 29, Contre 2, Ne vote pas 2, Absent 6, Did not vote 1

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Le Tissier	Alderney Rep. Roberts	Deputy Bury	Deputy Burford
Deputy Blin	Deputy Queripel	Alderney Rep. Snowdon	Deputy Dudley-Owen	
Deputy Brouard			Deputy Falla	
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Leadbeater				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Roffey				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Vermeulen				

The Bailiff: Now in respect of Proposition 5 on its own, there voted in favour, 29 Members; against, 2 Members; 2 abstentions; and 7 absent for the vote. Therefore I declare Proposition 5 duly carried. Can I take 6 and 7 together, please?

A Member: Could we have 7 separately?

The Bailiff: Thank you. In that case, we will take 6 and 7 together.

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A Member: Sorry, could we have 7 separately, sir?

The Bailiff: Okay, we will take 6 on its own. Will you open the voting, please, Greffier?

There was a recorded vote.

Proposition 6.

Carried - Pour 31, Contre 0, Ne vote pas 2, Absent 6, Did not vote 1

POUR Deputy Aldwell Deputy Blin Deputy Brouard Deputy Cameron Deputy de Lisle Deputy Dyke Deputy Fairclough Deputy Ferbrache Deputy Gabriel Deputy Gollop Deputy Haskins Deputy Helyar Deputy Inder Deputy Le Tissier Deputy Leadbeater Deputy Mathews Deputy Makes Deputy Moakes Deputy Moakes Deputy Murray Deputy Prow Deputy Prow Deputy Prow Deputy Queripel Deputy Soulsby Deputy St Pier Deputy St Pier Deputy Taylor	CONTRE None	NE VOTE PAS Alderney Rep. Roberts Alderney Rep. Snowdown	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Burford

The Bailiff: In respect of Proposition 6, there voted in favour, 31 Members; no one voted against; there were 2 abstentions; 7 Members absent and therefore I declare Proposition 6 also duly carried. Proposition 7 is as amended by Amendment 7, with the addition of words at the end and we will have a vote on that Proposition alone, if you open the voting please, Greffier.

There was a recorded vote.

Proposition 7.

3260

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

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STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

Deputy Gollop

Deputy Haskins

Deputy Helyar

Deputy Inder

Deputy Kazantseva-Miller

Deputy Le Tissier

Deputy Leadbeater

Deputy Mahoney

Deputy Matthews

Deputy McKenna

Deputy Moakes

Deputy Murray

Deputy Oliver

Deputy Prow

Deputy Queripel

Deputy Roffey

Deputy Soulsby

Deputy Taylor

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Deputy Vermeulen

The Bailiff: In respect of Proposition 7, as amended, there voted in favour, 29 Members; 1 Member against; 3 abstentions; 7 Members absent for the vote and therefore I declare Proposition 7 duly carried.

The next one is Proposition 8 on its own. Can you open the voting for me, please, Greffier?

There was a recorded vote.

Proposition 8.

Carried – Pour 27, Contre 3, Ne vote pas 3, Absent 6, Did not vote 1

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Kazantseva-Miller	Deputy Queripel	Deputy Bury	Deputy Burford
Deputy Blin	Deputy Soulsby	Alderney Rep. Roberts	Deputy Dudley-Owen	
Deputy Brouard	Deputy Taylor	Alderney Rep. Snowdon	Deputy Falla	
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Le Tissier				
Deputy Leadbeater				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Roffey				
Deputy Vermeulen				

The Bailiff: In respect of Proposition 8, there voted in favour, 27 Members; against, 3 Members; 3 abstentions; 7 Members absent and therefore Proposition 8 is also duly carried.

The next one is Proposition 9 on its own, please Greffier, and if you open the voting please.

There was a recorded vote.

Proposition 9.

Carried – Pour 30, Contre 1, Ne vote pas 2, Absent 6, Did not vote 1

POUR Deputy Aldwell Deputy Blin Deputy Brouard Deputy Cameron Deputy de Lisle Deputy de Sausmarez Deputy Dyke Deputy Fairclough Deputy Ferbrache Deputy Gabriel Deputy Gollop Deputy Haskins Deputy Helyar Deputy Inder Deputy Kazantseva-Miller Deputy Le Tissier	CONTRE Deputy Queripel	NE VOTE PAS Alderney Rep. Roberts Alderney Rep. Snowdon	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Burford
Deputy McKenna				
Deputy McKenna Deputy Moakes				
Deputy Murray				
Deputy Oliver Deputy Parkinson				
Deputy Prow				
Deputy Roffey				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor Deputy Vermeulen				
Deputy Verification				

The Bailiff: In respect of Proposition 9, there voted in favour, 30 Members; against, 1 Member; 2 abstentions; 7 Members absent for the vote and therefore I declare Proposition 9 also duly carried. The next one, 10 on its own, please. If you open the voting, please, Greffier.

There was a recorded vote.

Proposition 10.

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Carried – Pour 27, Contre 2, Ne vote pas 4, Absent 6, Did not vote 1

	POUR Deputy Aldwell Deputy Brouard Deputy Cameron Deputy de Lisle Deputy de Sausmarez Deputy Dyke Deputy Fairclough Deputy Ferbrache Deputy Haskins Deputy Helyar Deputy Inder Deputy Kazantseva-Miller Deputy Leadbeater Deputy Mahoney Deputy Matthews	CONTRE Deputy Gabriel Deputy Le Tissier	NE VOTE PAS Deputy Blin Deputy Gollop Alderney Rep. Roberts Alderney Rep. Snowdown	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Burford
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Deputy McKenna

Deputy Moakes

Deputy Murray

Deputy Oliver

Deputy Parkinson

Deputy Prow

Deputy Queripel

Deputy Roffey

Deputy Soulsby

Deputy St Pier

Deputy Taylor

Deputy Vermeulen

The Bailiff: In respect of Proposition 10, there voted in favour, 27 Members; against, 2 Members; 4 abstentions; 7 Members absent for the vote; and therefore I declare Proposition 10 duly carried. Proposition 11 next, please, on its own. If you open the voting, please, Greffier.

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There was a recorded vote.

Proposition 11.

Carried – Pour 29, Contre 2, Ne vote pas 2, Absent 6, Did not vote 1

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Gollop	Alderney Rep. Roberts	Deputy Bury	Deputy Burford
Deputy Blin	Deputy Queripel	Alderney Rep. Snowdown	Deputy Dudley-Owen	
Deputy Brouard			Deputy Falla	
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Leadbeater				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Roffey				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Vermeulen				

The Bailiff: In respect of Proposition 11 there voted in favour, 29 Members; against, 2 Members; 2 abstentions; 7 Members absent. Therefore I declare Proposition 11 also duly carried. Next, Proposition 12 on its own please. If you open the voting, please, Greffier.

There was a recorded vote.

Proposition 12.

Carried - Pour 30, Contre 1, Ne vote pas 2, Absent 6, Did not vote 1

POUR Deputy Aldwell Deputy Blin Deputy Brouard Deputy Cameron Deputy de Lisle Deputy de Sausmarez Deputy Dyke Deputy Fairclough Deputy Ferbrache Deputy Gabriel Deputy Gollop Deputy Haskins Deputy Helyar Deputy Inder Deputy Kazantseva-Miller Deputy Le Tissier Deputy Leadbeater Deputy Mahoney Deputy Matthews Deputy Moakes Deputy Moakes Deputy Parkinson Deputy Prow Deputy Roffey Deputy Soulsby Deputy St Pier	CONTRE Deputy Queripel	NE VOTE PAS Alderney Rep. Roberts Alderney Rep. Snowdown	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Burford

The Bailiff: In respect of Proposition 12, there voted in favour, 30 Members; against, 1 Member; 2 abstentions; 7 Members absent and therefore I declare Proposition 12 also duly carried. Next, Proposition 13 on its own. If you will open the voting, please, Greffier.

There was a recorded vote.

Proposition 13.

Carried – Pour 30, Contre 1, Ne vote pas 2, Absent 6, Did not vote 1

Deputy Gollop	Alderney Rep. Roberts Alderney Rep. Snowdown	Deputy Bury	Deputy Burford
	Alderney Rep. Snowdown		
		Deputy Dudley-Owen	
		Deputy Falla	
		Deputy Le Tocq	
		Deputy Meerveld	
		Deputy Trott	
			Deputy Meerveld

STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

Deputy Matthews

Deputy McKenna

Deputy Moakes

Deputy Murray

Deputy Oliver Deputy Parkinson

Deputy Prow

Deputy Queripel

Deputy Roffey

Deputy Soulsby

Deputy St Pier

Deputy Taylor

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Deputy Vermeulen

The Bailiff: The voting on Proposition 13 was that there voted in favour, 30 Members; against, 1 Member; 2 abstentions; 7 Members absent for the vote; and therefore I declare Proposition 13 also duly carried.

Next, Proposition 14 on its own. And will you open the voting, please, Greffier?

There was a recorded vote.

Proposition 14.

Carried – Pour 30, Contre 1, Ne vote pas 2, Absent 6, Did not vote 1

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Queripel	Alderney Rep. Roberts	Deputy Bury	Deputy Burford
Deputy Blin		Alderney Rep. Snowdown	Deputy Dudley-Owen	
Deputy Brouard			Deputy Falla	
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Leadbeater				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Deputy Roffey				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Vermeulen				
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The Bailiff: In respect of Proposition 14, there voted in favour, 30 Members; 1 Member voted against; 2 abstentions; 7 Members absent and Proposition 14 is declared duly carried.

Next, Proposition 15 on its own please. And will you open the voting, please, Greffier?

There was a recorded vote.

Proposition 15.

Carried - Pour 30, Contre 0, Ne vote pas 3, Absent 6, Did not vote 1

POUR Deputy Aldwell Deputy Brouard Deputy Cameron Deputy de Lisle Deputy de Sausmarez Deputy Dyke Deputy Fairclough Deputy Ferbrache Deputy Gabriel Deputy Gollop Deputy Haskins Deputy Helyar Deputy Inder Deputy Kazantseva-Miller Deputy Le Tissier Deputy Mahoney Deputy Matthews Deputy Matthews Deputy Moakes Deputy Moakes Deputy Moakes Deputy Pow Deputy Pow Deputy Pow Deputy Pow Deputy Poffor	CONTRE None	NE VOTE PAS Deputy Blin Alderney Rep. Roberts Alderney Rep. Snowdown	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Burford
. ,				
Deputy Queripel				
Deputy Roffey Deputy Soulsby				
Deputy St Pier				
Deputy Vermoulen				
Deputy Vermeulen				

The Bailiff: There voted in respect of Proposition 15, 30 Members were in favour; nobody voted against; 3 Members abstained; 7 Members were absent for the vote, and therefore I declared Proposition 15 also duly carried.

Proposition 16 on its own, please? And will you please open the voting, Greffier?

There was a recorded vote.

Proposition 16.

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

Deputy Aldwell Deputy Queripel Deputy Blin	NE VOTE PAS Deputy Gollop Alderney Rep. Roberts Alderney Rep. Snowdown	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Burford
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Deputy Mahoney

Deputy Matthews

Deputy McKenna

Deputy Moakes

Deputy Murray

Deputy Oliver

Deputy Parkinson

Deputy Prow

Deputy Roffey

Deputy Soulsby

Deputy St Pier

Deputy Taylor

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Deputy Vermeulen

The Bailiff: In respect of Proposition 16, there voted in favour, 29 Members; against, 1 Member; 3 abstentions; 7 Members absent; and therefore I declare Proposition 16 duly carried.

We will go wild now, Members, and take 17 and 18 together. Will you please open the voting, Greffier?

There was a recorded vote.

Propositions 17-18.

Carried - Pour 30, Contre 0, Ne vote pas 3, Absent 6, Did not vote 1

POUR Deputy Aldwell Deputy Blin Deputy Brouard Deputy Cameron Deputy de Lisle Deputy de Sausmarez Deputy Pairclough Deputy Ferbrache Deputy Gabriel Deputy Gollop Deputy Haskins Deputy Helyar Deputy Inder Deputy Le Tissier Deputy Leadbeater Deputy Mahoney Deputy Matthews Deputy Mookes Deputy Mookes Deputy Murray Deputy Oliver Deputy Parkinson Deputy Prow Deputy Roffey Deputy Soulsby Deputy St Pier	CONTRE	NE VOTE PAS Deputy Le Tissier Alderney Rep. Roberts Alderney Rep. Snowdown	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla Deputy Le Tocq Deputy Meerveld Deputy Trott	DID NOT VOTE Deputy Burford

The Bailiff: In respect of Propositions 17 and 18, taken together, there voted in favour, 30 Members; no Member voted against; 3 abstentions; 7 Members absent; and therefore I declare both of those Propositions duly carried, which means that all 20 Propositions have been carried.

I am a bit worried that the system might not have worked so we might have to have *appel nominals* on all of those in a moment, but never mind!

Procedural – Order of business

The Bailiff: Now, it is time to take stock. It is twenty to five. It is not quite *Crackerjack*, but it is 20 to five. Now, Deputy Roffey, do you want to propose a change to the order of business? We would be going back to the first item, which is Article 1, Water Pollution.

Deputy Roffey: I would beg your indulgence to ask for a change in the running order. There is quite a lot of testing work that needs to be done, once we decide on what the old age pension should be to make sure that they come in from ^{1s}t January, so it would be very desirable to get that Item 7 dealt with today, if we can.

The Bailiff: Does anyone wish to make any comment on that at all, particularly the Presidents of the Committees whose work would otherwise be affected? No.

In that case, Members of the States, I will put to you the motion that the next item of business be P2020/80 Contributory Benefit and Contribution Rates for 2023 from the Committee *for* Employment & Social Security. Those in favour; those against?

Members voted Pour.

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The Bailiff: I declare that motion duly carried. And that is where we will turn to next, please Greffier.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

7. Contributory Benefit and Contribution Rates for 2023 – Propositions carried

Article 7.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled"Contributory Benefit and Contribution Rates for 202", dated 1^{2t}h September 2022, they are of the opinion:

- 1. To set the contributions limits and rates as set out in Tables 5-7 of the Policy Letter, from ^{1s}t January 2023.
- 2. To set the standard rates of contributory social insurance benefits as set out in Table 8 of the Policy Letter, from ²ⁿd January 2023.
- 3. To agree that the Social Insurance (Guernsey) Law, 1978 and any necessary legislation under it ""the La"") is amended to make any necessary provision to give the Director of the Revenue Service powers to issue civil sanctions, including civil enforcement, information notices and civil penalty notices, in relation to breaches of requirements under the Law relating to social insurance contributions; and provide for appropriate rights of appeal to the Guernsey Revenue Service Tribunal against decisions of the Director of the Revenue Service in relation to such civil sanctions, as further detailed in paragraphs 3.29 to 3.38 of the Policy Letter.
- 4. To set the contribution (co-payment) required to be made by the claimant of care benefit, under the Long-term care Insurance Scheme, at £306.46 per week, from 2n d January 2023.

- 5. To set the weekly long-term care benefit at the rates set out in Table 13 of the Policy Letter, from ²ⁿd January 2023.
- 6. To set the weekly respite care benefit at the rates set out in Table 14 of the Policy Letter, from ²ⁿd January 2023.
- 7. To note that the Committee for Employment & Social Security intends to investigate the long-term financial implications of a double loc uprating policy, whereby increases to the States Pension and all other contributory benefits, except Long-Term Care benefit, would either be equal to RPIX plus one third of the real increase in median earnings, or to RPIX, whichever is highest, and to report back to the States in the Committe's Policy Letter on contributory benefits and contribution rates for 2024.
- 8. To direct the Committee for Employment & Social Security to investigate further the option of reducing the maximum age of a child in respect of whom a family allowance credit is awarded from 16 to five, and to report back to the States in the Committe's Policy Letter on contributory benefits and contribution rates for 2024.

The States' Greffier: Yes, sir.

Article 7, Committee *for* Employment & Social Security – Contributory Benefit and Contribution Rates for 2023.

The Bailiff: And I invite the President of the Committee, Deputy Roffey, to open debate.

Deputy Roffey: I thank Members for agreeing that and to reciprocate I will keep my opening remarks fairly short.

I do want to make it, though, 100% clear that this policy letter purely deals with contributory benefits. In other words, those that are funded by Social Security contributions. Those benefits funded by general revenue will be debated next month in the Special Budget Debate Meeting.

Sir, there is a well-established formula for uprating pensions and most of the other contributory benefits. They are increased by inflation plus on third of the difference between the rate of inflation and the rate of increase in average earnings. This is considerably less generous than the UK's triple lock approach to uprating.

Over there, as a minimum, pensions are increased at the same rate as average earnings and sadly our schemes simply cannot afford to make that promise and so over the long-term it is likely that our States' pensions will fall as a percentage of average earnings. That said, there are some unusual years, when the rate of increase in average earnings is actually below the rate of inflation and this is one of those years, with the respective figures being 7% for inflation and 4.9% for earnings.

So what to do in those circumstances? Here, too, there is a well-established precedent but it is not actually official policy. Whenever this situation has occurred in the past, the States have approved a straight RPIX increase in the rate of pensions and we are proposing exactly that same thing happens again this year because we think it would be perverse to suggest reducing the States' pension in real terms in the middle of a cost of living crisis.

So, in effect, we have a sort of double lock operating: either inflation or inflation plus a third of the difference with the increase in average earnings, whichever happens to be the greater. Indeed, we are going to be looking to make this the official policy next year but before doing that we think it is only prudent to get a detailed actuarial analysis on the possible long-term impact on the Fund. So, for now, it remains simply a one-off proposal.

Now, talking about the Fund, I should remind Members that the Guernsey Insurance Fund has been running at an operational deficit, i.e. a deficit before investment returns, for the last 13 years. Indeed, the Government Actuary has forecast that if we took no action, it would be completely exhausted by 2039. Clearly that would be unacceptable and that is exactly why we are taking action and this policy letter includes the second in a series of small annual increases in contribution rates being phased in over a decade.

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This contribution income is vital but we are painfully aware that it is being raised under a rather unfair system, with a cliff-edged earnings threshold rather than an Income Tax-style personal allowance, and we really hope as a Committee that this can be swept up by the tax reforms to be debated before too long.

But, not to point too fine a point on it, we simply cannot afford to sit on our hands and do nothing in the hope that this Assembly votes for a brave new world of taxation. That would just be a far too risky approach, given the Government Actuary's stark warnings.

One policy we are flagging up in this Report, and it actually relates quite closely to participation rates we were talking about earlier, one policy we are flagging up and explaining is our intention to re-examine over the next year the giving of free pension credits to any parents who are non-employed and in receipt of a Family Allowance. Frankly, we are just not convinced that a parent of, say, a teenager, who chooses not to work should have their future pension costs subsidised by other Islanders who are working and, in the vast majority of cases, who have no choice but to work.

This is a really odd benefit, which overwhelmingly is enjoyed by the well to do. That is not saying we are going to force the parents – and it is usually mothers but not always – of older children to work if they do not want to. Rather, it is simply that if they are economically able to choose not to work but want nevertheless to maintain a full pension record, then they will have to pay the same voluntary stamp, which other non-employed people have to pay, currently running at a stunning value of *circa* £22 a week.

After all, we do expect all Income Support claimants to work once their youngest child is five. Now I know the situations are different. I am not trying to compare them completely, but both are receiving direct subsidies from other Islanders. In the case of Income Support, through Islanders' tax payments and in the case of people on Family Allowance who are getting a free pension contribution stamp through other people's Social Security contributions.

Pensions do not fund themselves so why should the parents of older children have their pensions paid for by other members of the scheme. I have to say no firm conclusion has been reached yet about what changes, if any, and I think there will be some, what changes are proposed, but we will be reporting back on that matter at this time next year.

Finally, sir, I am going to cut it short and end with a question. What would happen if over the months ahead the inflation figures keep going steeply up? I have to say we are not particularly expecting that and we certainly do not want to see it, but what if the proposed 7% increase in this policy letter, in pensions and in most other contributory benefits for next year actually turns out to be a big real terms increase, a big real terms cost, if the inflation for the end of the year – 10%, 11%, 12%?

I really hope that does not happen but if it happens and it happens on a scale to cause concern, my Committee does not rule out a mid-term adjustment to pensions, just as we did with Income Support recently. But I think we have to wait and see how that turns out. We can only use the most recent RPIX figures at this stage.

Sir, I commend these proposals to the States.

The Bailiff: Deputy Gollop,

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Deputy Gollop: It goes without saying, as a Member of the board and a loyal Member of the board, we have debated this many times and I support it and I also support the logic of making reductions in expenditure where necessary, such as the issue Deputy Roffey has outlined about the generosity, perhaps, of the free credit for the parents of older children.

Of course, there might be occasionally unusual circumstances, such as somebody involved in home schooling or somebody who perhaps does not work, for religious or cultural reasons but as a general principle I support it. Nevertheless part of me sometimes rebels a bit because this year has been exceptional and I think we have got exactly the right methodology at the moment for raising the pension.

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But I am a bit of a maverick as well and I make no secret of the fact that, ideally, I think we should have a triple lock type system. I think that there is a danger, I know we are going to go for secondary pensions, hopefully, but there is certainly a short- to mid-term danger of certain members of our pensioner community in real terms becoming less well-off and the irony is the stronger our economy might be, and we have higher and higher earnings in certain areas, if we are only going up by a third and inflation drops, they will drop in a way in real terms in spending power and they will be less well off than their UK cousins because I used to think it was one of the greatest achievements of Guernsey that our pension rates for people were so much higher than the United Kingdom government but that differential is narrowing now.

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I, too, am a radical when it comes to this. I do not care the effect it has. I am a bit like the Liz Truss government, but maybe that is not a good precedent to follow, because I think we should have been much more robust in the last few years in pushing up the rates. We are doing it gradually, by 2.1% but really we should be nearer 20% than 15% and if we had had the nest egg of this additional money for long-term health care insurance and the pension we would not have many of these dilemmas and we would be able to take off the pressure of general revenue. We would be able to do some of the things Deputy Brouard would like to see and I think that we are catching up too late and the wisdom would be, as part of our Tax Strategy for the future, to really look at these methods.

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And, yes, there is an unfairness in this because it is based on employment, self-employment and employees and there are issues about that but I think it is actually better to have additional revenues coming in than worrying extensively about the fairness. That can come later. So I not only approve the uprating but think it should be a bit harder.

The Bailiff: Deputy Ferbrache.

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Deputy Ferbrache: There speaks the last speaker who has not run a business, who has not got to pay people, who has not got to worry about contributions for anybody else and his wage is paid by the taxpayer. But in relation to what I really raise, other than to say that, it is alright saying do not have regard to financial reality and then you have got no businesses and you have got people who are paying rates they cannot afford, but never mind, it will come, there is the money tree out there because Deputy Gollop is going to plant one.

But in relation to Deputy Roffey's point, I just ask this – and I fully accept the point he made: if inflation goes up by 5% more than we anticipate, would he and his Committee be seeking to introduce contribution rates as well?

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The Bailiff: Deputy Le Tissier.

Deputy Le Tissier: Thank you, sir.

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It is just really a question that Deputy Roffey could answer for me. I am referring to tables 5, 6 and 7 and the upper earnings limit. Now I see it is proposed to increase it by 7% but given that the Fund is in deficit, as I think you said in your opening speech, why can't that upper earnings limit be removed entirely? Now I appreciate it will not make a material difference but it is a marginal gain and every little helps.

Thank you.

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The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir.

I just want to commend the Social Security team for the work on this. I have got nothing to add other than make a declaration that I will be a beneficiary should it go through, sir.

3470 Thank you.

The Bailiff: Deputy St Pier.

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Deputy St Pier: Yes, sir, the comment I wish to make is the one that I often make in relation to the debate on this annual policy letter, which is in relation to investment returns for the funds underpinning, invested as a result of the contributions. There is a paragraph on page 27, which Members will note, paragraph 10, two short paragraphs on investment returns, which tells us the expected return of the investments on the 10-year forward view, is LIBOR plus 3.7%. Actual performance in 2021 was 11.5% and there has been a negative return of 9.9% this year.

So I think it would be beneficial in future years if we could have a little bit more information about the investment return performance of these funds, rather than the pretty simple snapshot that is captured in 10.2, actually some of the historic information showing the track record or performance, I think, would enable us to be better informed.

I notice in the previous paragraph, of course, that it is a matter that is, as we are all familiar, now a matter that is overseen by, of course originally by Policy & Resources and then by the States' Investment Board. But nonetheless I think incorporating that information in this policy letter would ensure that we are more fully informed and I would be grateful if the President, when he responds to the debate, could give an indication of whether he might be willing to give an undertaking to give consideration to that for future annual reports so that we have that information available to us?

The Bailiff: Deputy Dyke.

Deputy Dyke: Thank you, sir.

I just want to comment on this proposed double lock policy. It does give rise, if it is applied year after year ... say one has 10 years of 7% inflation, and only 5% median income growth, then with the new proposal, if this is locked in, you are going to have a step by step, year by year gap opening up between pensions and median earnings.

So I would have thought that the link to median earnings should not, long-term, be cut. Maybe there is a reason to do it, for odd years, by special arrangement, but to lock something in, potentially, is really an excessive burden on the income producers. It is probably not a good idea. Let us hope we do not face a period where inflation endlessly exceeds median earnings, but if we do then you cannot just leave one section of the population totally immune from that issue whilst leaving the rest not only to lose their 2% but to lose more to transfer income to the happier set.

I do not think it is a good idea to lock this in permanently. I am fine with what we are doing this year but that, I think, is a point that should be made.

Thank you.

The Bailiff: As no one else is rising, I will turn back to Deputy Roffey, as the President of the Committee, to reply to that short debate, please.

Deputy Roffey: Thank you, sir.

The first person to lay into me was a Member of my Committee, of course, but that is to be expected. I do ask Deputy Gollop, where was his minority report? He clearly feels quite strongly about these issues. I do not remember really hearing him around the Committee table but he could easily have put in a minority report. But he did not.

He wants a triple lock. Don't we all? But I do not think we can afford it. We are in a programme of 10-year increases in contribution rates just to get the scheme as is in a financially stable position according to the Government Actuary. If we were to build in a triple lock it would have to go up an awful lot further.

I do not actually think the UK can afford it but they promised it at the last election so for the next two years they are going to have to stick with it.

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Deputy Ferbrache, no, I do not think we would be able to do contribution rates mid-year. What we are, though, is on an escalated contribution rates anyway and to some extent this wraps up with Deputy Le Tissier's question about why couldn't we have scrapped the upper earnings limit? There are sort of two upper earnings limits, potentially, one for employer contributions and one for employee contributions. All of that really should be in the melting pot for the big Tax Review, expected in January.

Because those are all parameters that will affect how much we have to raise and how we raise it. So rather than, I think, on the annual uprating to have almost get those hounds running I think that it really needs to be as part of the massive debate that we are going to have in two or three months' time

Deputy St Pier, I have no objection in principle, putting more about investment returns in. I can tell him now they are not going to be brilliant this year. In the past, of course, we have always, because we have done our separate accounts for the funds, we have put quite a lot of detail at that stage but I think from memory that is all getting amalgamated in with the more general States' Accounts. So it might be quite a good idea to highlight the performance of the fund in the operating report. I will take the idea back. I am not going to make any promises on my feet.

Deputy Dyke, yes, in a really dreadful world where we had a decade of real terms reductions in earnings that the average earnings went up by less than inflation, he would like a double lock, which of course we are not asking to guarantee now, we are just flagging up, we are going to look exactly at these issues, would probably start to become unaffordable. But then an awful lot of things would be becoming fairly dire at that point. Spending and purchasing power would be going through the floor and our economy would be in a real mess.

The ncreaseved wisdom is that over a long period of time average earnings do tend to ncreasese by higher than inflation. I am sure that pensioners would be quite happy to have a single lock just to say let us tie pensions to average earnings changes. Now this year that would lead to a real terms reduction but over the long term they would probably do an awful lot better than the RPIX plus a third of the different formula that we have.

So I do not think anything is a lock forever. We have a lock, assuming normal behaviour, if there is a real extended period of abnormal economic circumstances, I think we would have to look at it because affordability of the scheme is absolutely at the front of our mind all the time.

I think that is really everything that was said. It is a big increase but we are still not convinced it will actually match inflation at the end of this year. We do not know. Guernsey's inflation is behaving slightly differently to the UK's because of the different energy market. We will get a better idea, I think, in just two or three weeks' time when we get the third quarter's RPIX figure but really what the effective figure for next year will be, we will not know until quite late in January so we will be watching that carefully but with the latest figures, this is really simple, straight forward inflation increases pretty much across the board on just about everything apart from some elements for the Long Term Care Insurance Fund but those have already been approved as part of a programme that was there before.

So I invite Members to support the proposals.

The Bailiff: Members of the States, there are nine Propositions. Is there a request that any of them be taken as a discreet vote? Yes, Deputy Queripel.

Deputy Queripel: Number 7, please, sir.

The Bailiff: Okay.

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Any other bids, before we launch in? In that case we will take Propositions 1-6 inclusive, collectively, please. And I invite the Greffier to open the voting on Propositions 1-6, please.

There was a recorded vote.

Propositions 1-6.

Carried – Pour 31, Contre 0, Ne vote pas 0, Absent 6, Did not vote 3

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	None	None	Deputy Bury	Deputy Burford
Deputy Blin			Deputy Dudley-Owen	Deputy Leadbeater
Deputy Brouard			Deputy Falla	Deputy Prow
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Queripel				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Vermeulen				
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The Bailiff: Now in respect of Propositions 1-6 there voted in favour, 31 Members; no one voted against; nobody abstained; and 9 Members were absent at the vote; and therefore I declare Propositions 1-6 duly carried.

Proposition 7, taken discreetly, please.

There was a recorded vote.

Proposition 7.

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Carried – Pour 28, Contre 2, Ne vote pas 1, Absent 6, Did not vote 3

POUR Deputy Aldwell Deputy Blin Deputy Brouard	CONTRE Deputy Matthews Deputy Queripel	NE VOTE PAS Deputy Dyke	ABSENT Deputy Bury Deputy Dudley-Owen Deputy Falla	DID NOT VOTE Deputy Burford Deputy Leadbeater Deputy Prow
Deputy Cameron			Deputy Le Tocq	. ,
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				

Deputy Mahoney

Deputy McKenna

Deputy Moakes

Deputy Murray

Deputy Oliver

Deputy Parkinson

Alderney Rep. Roberts

Deputy Roffey

Alderney Rep. Snowdon

Deputy Soulsby

Deputy St Pier

Deputy Taylor

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Deputy Vermeulen

The Bailiff: In respect of Proposition 7 there voted in favour, 28 Members; against, 2 Members; 1 abstention; and 9 Members absent at the vote; and therefore I declare Proposition 7 duly carried. And 8 and 9, I think we can take together, please, Greffier. And will you please open the voting, Greffier?

There was a recorded vote.

Propositions 8-9.

Carried - Pour 29, Contre 3, Ne vote pas 0, Absent 6, Did not vote 2

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	Deputy Kazantseva-Miller	None	Deputy Bury	Deputy Burford
Deputy Blin	Deputy Matthews		Deputy Dudley-Owen	Deputy Leadbeater
Deputy Brouard	Deputy Oliver		Deputy Falla	
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Le Tissier				
Deputy Mahoney				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Parkinson				
Deputy Prow				
Deputy Queripel				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy St Pier				
Deputy Taylor				
Deputy Vermeulen				

The Bailiff: In respect of Propositions 8 and 9 there voted in favour, 29 Members; against, 3 Members; 8 Members were absent at the vote; and therefore I declare Propositions 8 and 9 duly carried, which means all 9 Propositions have been carried.

I think this means that we are back to Water Pollution.

Procedural – Order of business

Deputy Ferbrache: Sir, I know Deputy de Sausmarez has been waiting patiently for this item but I understand there might be – I do not know – a couple of contested amendments. Therefore, if there are, that could take some time. Whereas I do not think that, interesting topic as it is, the double taxation thing with Poland and Qatar is going to take a long time or even, even more exciting because they are exciting people, our accountants, that the accountants matter will take a long time.

Because my colleague, Deputy Helyar, is fresh back from his duties, I know he wants to deal with both of these if he can.

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The Bailiff: Are you proposing that they be taken next and that Water Pollution drops down again?

Deputy de Sausmarez, do you want to say anything?

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Deputy de Sausmarez: It really is a decision, as Deputy Ferbrache has outlined, from a technical perspective, it simply means that yet again there will have to be another amendment to the Commencement Ordinance date. We have been trying to update this legislation for about 10 years so perhaps another month or so is not a great issue but ultimately, although the Committee is obviously keen to get this Ordinance in place, and there are some very minor consequential impacts of delaying it to the next Ordinary States' Meeting, which I think would be on 2^{3r}d November, ultimately it is a decision for the Assembly to take.

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The Bailiff: Well, Members of the States, the motion from Deputy Ferbrache at the moment is that Water Pollution, which is the first Item on this set of business, should be dropped down, at least for the time being, to follow items 6 and 8, Double Taxation and Minimum Standards for Accountancy Firms. It may well be that that means it gets deferred, as Deputy de Sausmarez has just said. It may be that it gets tackled later today. But that is the motion that Water Pollution drops down the running order again. Those in favour; those against?

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Members voted Pour.

The Bailiff: I will declare that duly carried, so Greffier, if we can go to P.2022/76, please.

POLICY & RESOURCES COMMITTEE

6. Revision of the Double Taxation Agreements made with Poland and Qatar – Proposition carried

Article 6.

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled "Revision of the Double Taxation Arrangements made with Poland and Qatar", dated 23 August 2022, they are of the opinion:-

1. To declare that:

(a) The "Protocol Amending the Agreement between the States of Guernsey and the Republic of Poland for the Avoidance of Double Taxation with respect to certain Income of Individuals signed in London on 8th October, 2013" and the "Protocol Amending the Agreement between the Government of Guernsey and the Government of the State of Qatar for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income", signed by Guernsey

on 19 May 2022 and 21 June 2022 respectively, have been made with the government of another territory with a view to affording relief from double taxation in relation to income tax and any tax of a similar character imposed by the laws of those territories; and

(b) it is expedient that the double taxation agreements that Guernsey has with Poland and Qatar, signed on 8 October 2013 and 22 February 2013 respectively, as so amended, should have effect, with the consequence that those Agreements shall have effect in relation to income tax in accordance with section 172(1) of the Income Tax Law, notwithstanding anything contained in the Income Tax Law, or any other enactment.

The States' Greffier: Article 6, Policy & Resources Committee – the Revision of the Double Taxation Agreements made with Poland and Qatar.

The Bailiff: And I invite Deputy Helyar to open debate on behalf of the Committee.

Deputy Helyar: Thank you, sir.

I will be super brief. There is an accompanying letter that explains the process. The Assembly is being asked to make a declaration under Section 1.7.21 of the Tax Law, to give effect locally to these arrangements that have been reached with the Polish and the Qatari Governments. The reason that they are being uprated from the original bilateral arrangements that were in place from 2013 is to ensure that they are compliant with the OECD provisions in relation to base erosion and profit shifting.

That is all I have to say, so I will just ask Members to support the Proposition.

The Bailiff: Deputy St Pier.

Deputy St Pier: I would hate for there to be no debate whatsoever for Deputy Helyar to respond to. I am just wondering, given the driver for this, obviously, of the multilateral measures which originally derived from an OECD treaty in 2017, there is likely, I am sure Deputy Helyar would agree, that there will be more of these feeding through the system. Is there any merit in the Policy & Resources Committee looking at a more expeditious way of dealing with this matter, rather than having to come back to the States for this particular approval?

It is technical, it is routine. But nonetheless it does take quite a lot of resources to produce this on each occasion. I am not sure there is a lot of value added by the matter coming here. The States have already agreed to devolve matters of this nature, particularly in relation to Brexit and the Brexit trade agreements, which are perhaps more time-pressured, to Policy & Resources, but I just question, it may not be a matter that Policy & Resources have considered. If they have not perhaps I would just leave it with them to take away and consider but I just pose the question whether, whilst I understand it is technically currently necessary under the extant legislation, whether it is a matter that could be considered for the future.

The Bailiff: As I do not see anyone else rising, I invite Deputy Helyar, if he wishes to do so, to comment on that matter.

Deputy Helyar: Only really, sir, to comment on Deputy St Pier's observations. I think, without wishing to entrain any legal discussion, we will take that one away and think about whether it is possible to produce a simplified and shortened way of approving these matters but, as far as I can see, the Income Tax Law says if the States by Resolution declares, so the declaration has to be by the States unless we amend the Law. That would be my view.

I just ask Members to support the declaration. Thank you.

The Bailiff: There is a single Proposition, Members of the States. Will you open the voting, please Greffier?

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There was a recorded vote.

Carried – Pour 30, Contre 0, Ne vote pas 0, Absent 6, Did not vote 4

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	None	None	Deputy Bury	Deputy Burford
Deputy Blin			Deputy Dudley-Owen	Deputy Leadbeater
Deputy Brouard			Deputy Falla	Deputy Queripel
Deputy Cameron			Deputy Le Tocq	Deputy Taylor
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Gollop				
Deputy Haskins				
Deputy Helyar				
Deputy Inder				
Deputy Kazantseva-Miller				
Deputy Le Tissier				
Deputy Mahoney				
Deputy Matthews				
Deputy McKenna				
Deputy Moakes				
Deputy Murray				
Deputy Oliver				
Deputy Parkinson				
Deputy Prow				
Alderney Rep. Roberts				
Deputy Roffey				
Alderney Rep. Snowdon				
Deputy Soulsby				
Deputy St Pier				
Deputy Vermeulen				

The Bailiff: In respect of this single Proposition on this matter, there voted in favour, 30 Members; no one voted against; nobody abstained; there are now 10 Members that were absent at the time of the vote. I will declare that duly carried.

POLICY & RESOURCES COMMITTEE

8. Minimum Standards for Accountancy Firms, etc. – Propositions carried

Article 8.

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled "Minimum Standards for Accountancy Firms, Etc", dated 12th September 2022, they are of the opinion:-

- 1. To agree that a framework for a minimum standards test for firms of accountants, auditors, insolvency practitioners and tax advisers and its administration by the Guernsey Registry be established in accordance with the recommendations set out in this Policy Letter, including a requirement that staff providing professional advice and services are appropriately qualified.
- 2. To direct the preparation of such legislation as may be necessary to give effect to the above.

The States' Greffier: Article 8, Policy & Resources Committee – Minimum Standards for Accountancy Firms.

The Bailiff: Deputy Helyar, it is over to you again.

Deputy Helyar: Thank you, sir.

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This one is slightly more interesting than the previous one. You might have been forgiven in reading Deputy St Pier's article in the paper that this is something new and that the provision of anti-money laundering standards for accountants is a new piece of red tape, but it is not. Accountancy firms and accountants are already subject to the anti-money laundering guidelines as a result of having to be registered under the Prescribed Business Law. The same is true for estate agents, for example, and for lawyers.

This is the first and we will see some more of these coming through because they are intended to align our arrangements with more recent and updated requirements of the Financial Action Task Force as a result of our forthcoming Moneyval inspection. As you know, we are doing everything we possibly can with all of the Committees concerned to ensure we attain the highest possible marks and this is part of that process.

So instead of accountants falling under the Prescribed Business Law they will in future fall underneath the Registry as a regulating authority of standards for anti-money laundering for accountancy firms. As the policy letter indicates, there has been a consultation with a local organisation, which looks after the accountancy firms and we have nothing to feedback which is of any negative effect.

So I would just ask Members to assist in our continuing work towards the Moneyval inspection and to approve these Propositions.

Thank you, sir.

The Bailiff: Deputy Gollop.

Deputy Gollop: As always, I am the bad guy who sometimes does not criticise Moneyval but sees the scale of it because actually this refers to combating of terrorist finance, anti-money laundering, and it seems to do something that is utterly essential and yet one is amazed that it is not covered already; because we know that our accountants, auditors, insolvency practitioners and tax advisors are generally exemplary and extremely well-qualified and amongst probably the best in the world. Well, they are the best in the world in their field.

But my problem with this is: look at the language. I had a little bit of a telling off from the President of Policy & Resources just now for what I said but look at 1.1. I do not think Deputy Ferbrache would use this in a speech:

This Policy Letter proposes the introduction of legislation imposing additional requirements on firms of accountants ...

It is not a suggestion, it is not just a guideline. It is an imposition. They have to do this to cross the line. And then you go through it and it raises an issue we have already discussed at least once, if not twice, at legislation with Deputy Dyke and other Members, about the issue that it does not just apply to professionals and there is sometimes a grey area as to whether somebody was a principal in the business – probably more applies to estate agents than these businesses – whether they are a principal or not, for example an account director or a marketing person.

But it also applies to shareholding, the 15% rule. On 3.3, page 4:

The minimum standards test should apply to any person with ownership or beneficial ownership of 15% or more of a professional business ...

– or could control of more voting power. Well that kind of means that you might have everybody in Guernsey of utterly exemplary and meticulous credentials but they are part of an organisation

that might have owners elsewhere and if it is purchased by somebody or some entity that you could ask questions about, maybe from a foreign land or whatever, that would be a problem for Guernsey even though it would be absolutely no reflection on anyone working here.

So we are widening the scope here and I just hope there are not un-thought through repercussions. But I do accept the arguments Economic Development and Policy & Resources and other senior figures make. We have to raise our game and Deputy Prow would reinforce that as well. But our mindset to maximise our standards are perhaps less libertarian than would have been the case 10, 15 years ago.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Thank you, sir.

Just to briefly answer Deputy Gollop's question, accountants and the insolvency practitioners, tax practitioners etc., will be already subjects to all sorts of international qualifications. To become an accountant you have to pass exams. You become a chartered accountant, you will become a member of the Institute of Accountancy Professionals, etc.

I think the issue is that we have no jurisdiction over those international standards and institutions and according, as Deputy Helyar was saying, to the requirements, we need to demonstrate our own domestic way to manage the standards of those businesses but I think it is just to assure Deputy Gollop that, yes, absolutely, the practitioners would already have international qualifications.

The Bailiff: Deputy Dyke.

Deputy Dyke: Yes, thank you, sir.

This sort of thing, as Deputy Gollop mentioned, has been before the Legislation Scrutiny Panel in the context of estate agents and we did have some issues with it at that committee in respect of that legislation. The one major point that we had is that these registrations, as drafted in the estate agency policy letter, and I see as drafted in this one, seemed to contemplate the primary registration not just of the business but of partners, owners of to 15%, anyone involved in ... I will quote the words:

Any person participating in or being in any way concerned directly or indirectly in the management of the professional business

Which is a huge category of people and the way it was interpreted by the Law Officers who drafted the legislation last time was that all of these people insofar as you can work them out at all, have to have a primary registration in the registry as opposed to being noted under the registration of the primary business.

So I think my point is, I am wondering if in this context the Legislation Scrutiny Panel could be given the opportunity to compare precisely what Moneyval is demanding, as against the policy paper, because it seems curious and the Law Officers also thought it was slightly curious in that context.

I suppose the other point I would make is how does this relate to the professional bodies that govern the accounting firms and taxation firms? They have all got their professional bodies to govern them and I wonder to what extent one could take into account the rules and procedures of the governing body. And I also note, I understand, that coming down the line is similar legislation in respect of law firms, which we will have to be quite careful with.

So if Deputy Helyar could comment on those points to the extent he can, that would be interesting and the rest, I think, we can take up with the draftsmen at the time.

The Bailiff: Deputy McKenna.

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Deputy McKenna: A question for the Treasurer. Could he please emphasise to the Assembly how Moneyval will absolutely dissect us forensically throughout the financial services and just how perilous our position is and how, for people like me, I will not question anything you put on this because for Moneyval this is so far beyond my comprehension.

The Law Officers have told us how perilous our position is. Could you just please explain, if you believe I am correct, how perilous our position is?

The Bailiff: Deputy Le Tissier.

Deputy Le Tissier: Thank you, sir.

I am just reading the policy letter and it is a question, really, to Deputy Helyar. In section 3.5 of the Guernsey Registry it is referring to and it says the Registry would itself:

... routinely administer the test in relation to persons operating within the context of the Bailiwick's AML/CFT framework.

Now, just for the avoidance of doubt, perhaps he could confirm it is not actually a test paper that you have to pass but what I would say is that the GFSC do not really inquire into what your AML/CFT qualifications are when you apply to be a regulated person. They do a fit and proper test but in this case it appears to be slightly different. So I would ask Deputy Helyar if he could just clarify that.

Thank you.

The Bailiff: Deputy Matthews.

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Deputy Matthews: Thank you, sir.

Yes, really following on from the point Deputy Le Tissier made, and actually Deputy McKenna, is that in many cases the requirements that we are bringing in as a result of the Moneyval valuation will either be a step up or will be already covered by existing legislation or requirements and I think that going back to the point that Deputy Gollop made about how the language of this sometimes looks as if we are imposing something that is new that we have not had before, which we are for the purposes of the Moneyval inspection but in many cases it might be useful to know how far along are we already.

Are we already up to this? Is it just a tidying up exercise where we need to conform to the standard that Moneyval would expect us to be? Or is this something that is newly imposed that is going to be an issue to those involved to be able to meet the requirements? I think this will probably be more of an issue as it comes into the other categories that will be coming down the road, but I certainly think that is something that is worth bearing in mind for some of these items.

Thank you.

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The Bailiff: Deputy Gabriel.

Deputy Gabriel: Thank you, sir.

I have just got a query for Deputy Helyar or perhaps his team. Section 8.2(d) states that there is no financial cost to the States because it is through the Registry. Section 4 says that a new statutory role will be created, and I understand that is of course a statutory role rather than a new role, and it also goes on to say that in order to minimise the burden of cost. So there is a sort of an admission that there could be a cost in there but it goes on to say that there is going to be no additional fees for the statutory test.

So could he just confirm if there will be any additional fees to the industry at all or if the new arrangement will be self-funding?

Thank you.

The Bailiff: Deputy St Pier.

Deputy St Pier: Yes, sir.

Just to perhaps comment on a couple of things that have been said in the debate so far, to Deputy Matthews, whilst this is not entirely new, as Deputy Helyar said in his introduction, it clearly is the ratcheting of standards, which is very much the process that Moneyval are engaged with each time they come back, the goalposts have been moved and we are expected to meet the new standards.

So where we are in the journey is compliant with the previous standards and this is about ensuring compliance with the new standards and I am sure that is how Deputy Helyar will seek to explain the position. That is certainly how I understand it.

I am also driven to my feet by Deputy Gabriel's comment because I think it was an obvious question to be asking what the resource implications are, particularly as Deputy Helyar has said, that this is the first of several and if we keep layering further responsibility on the Registry, surely there will come a point where there are resource implications and seeking to understand that that has been taken into account would be useful in Deputy Helyar's response.

Then my final comment is in response, I guess, to Deputy McKenna, describing our position as perilous and I think, I am sure he did not mean to suggest that we are in a perilous position right now and I think it would be unfortunate to leave that on the record as our understanding of the current position.

Clearly, if we find ourselves the wrong side of the Moneyval evaluation, that will be a significant challenge for the jurisdiction and the industry that we will need to respond to but right now our position, I think we can say, is very strong, and I am sure Deputy Prow and indeed Deputy Ferbrache, representing Policy & Resources and Home, would echo that and that I think we do need to be careful with the language that we use in describing this process.

We need to recognise that the standards are constantly increasing, we have been very much up with that. We need to stay up with that process as it evolves. This is part of that journey and in that journey we should of course be supportive of all the work that is being done by both the Principal Committees in ensuring that we do not end up in the position that Deputy McKenna described.

The Bailiff: As no one else is rising, I will turn back to Deputy Helyar to reply to the debate, please.

Deputy Helyar: Thank you, sir.

I will deal with the comments in order. First of all, in respect of these types of arrangements, we are very much policy takers rather than policy makers. There is very little that we can do about the recommendations, other than join in genuine discussion with organisations like the FATF, which we do, but it changed its recommendations. Deputy Dyke, if you would like to look at where they are, they can be seen on the FATF's website: Recommendation 28 and Recommendation 35, as detailed at paragraph 2.2 of the policy letter.

In terms of the test, which was mentioned by Deputy Le Tissier, this is the fit and proper test, effectively, and that is detailed at section 3.2, where it says:

In broad terms, it is envisaged that in determining whether a person meets the minimum standards test, regard should be had to their probity, integrity, honesty and soundness of judgement for holding the position.

Effectively, what we are doing here is, there are some change of controller and controller provisions in the Prescribed Business Law but they are backwards looking so they do not look at the integrity of the person at the outset of commencing some sort of business of this type. This legislation will consider the probity of individuals that are owners of these types of business going forward and regularly.

In terms of the costs, which was mentioned by Deputy Gabriel, this is detailed at section 4.1, where it says:

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STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

It is anticipated that there will be no additional fees charged in respect of the administration of the new minimum standards test.

That is because it says the Registry will align administration of the test with existing processes because these businesses already have to fill a lot of forms in anyway. I just suspect there will be some more boxes to tick in respect of that and this test will be part of it.

This test is applied very regularly by the Guernsey Financial Services Commission in respect of financial services businesses. The problem is here because of the Prescribed Business Law, FATF recommendations have changed the structure, so there needs to be a separate administrator of these types of arrangement.

It does have a wider scope, because anybody can come to the Island and start providing this type of advice. This will cover absolutely everybody and the same thing is going to apply, I strongly suspect, when we come back to the States with similar provisions in respect of lawyers. So it will not just apply to advocates, it will apply to everybody practising law or giving legal advice in the Island. They will all fall under the same requirements. That is not currently the case. There is no means, for example, sir, for the Bar Council to administer the activities of solicitors or other types of lawyer in Guernsey. It will apply to everybody.

That is particularly important because it is an area where we do not have any regulatory control at the moment.

So I met with Moneyval when they last came in 2014. It was a very interesting experience. I have been the MLRO of several different types of financial services businesses in Guernsey and elsewhere, including Mauritius and Jersey. I think it is very important that we make sure that we are ... there is not a whole raft more of this kind of stuff coming but it is important that we fill the gaps in as quickly as we possibly can to ensure the best outcome.

Just following on what Deputy McKenna said, yes, it is absolutely vital we get this right. So we need to put as much effort into it as we possibly can. I thank Members and would ask them to support the Propositions.

Thank you, sir.

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The Bailiff: Well, Members of the States, there are two Propositions. They are inter-linked, so they will be put to you together. I invite the Greffier to open the voting, please.

There was a recorded vote.

Carried – Pour 31, Contre 0, Ne vote pas 0, Absent 6, Did not vote 3

	y Leadbeater y Taylor
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Deputy Murray
Deputy Oliver
Deputy Parkinson
Deputy Prow
Deputy Queripel
Alderney Rep. Roberts
Deputy Roffey
Alderney Rep. Snowdon
Deputy Soulsby
Deputy St Pier
Deputy Vermeulen

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The Bailiff: In respect of these two Propositions, there voted in favour, 31 Members; no Members voted against; there were no abstentions; 9 Members were absent and therefore I declare both Propositions duly carried.

Procedural – Deferral of items of Business

The Bailiff: Now we have reached just gone 5.30. In the circumstances, I fear that Water Pollution would now be deferred and that would slot in after the children's outcomes matter that was deferred from the last Meeting because that was the order in which they appeared in the running order last time round.

Greffier, we have got to deal with the Schedule for Future States' Business please.

POLICY & RESOURCES COMMITTEE

9. Schedule for Future States' Business – Proposition carried

Article 9.

The States are asked to decide:-

Whether, after consideration of the attached Schedule for Future States' Business, which sets out items for consideration at the Ordinary States Meeting on 23rd November 2022, they are of the opinion to approve the Schedule.

STATES OF DELIBERATION SCHEDULE for FUTURE STATES' BUSINESS (For consideration at the Ordinary Meeting of the States commencing on the 19th October 2022)

Items for Ordinary Meeting of the States commencing on the 23rd November 2022

- (a) communications by the Presiding Officer including in memoriam tributes;
- (b) statements;
- (c) questions;
- (d) elections and appointments;

P.2022/87 – Policy & Resources Committee – Re-Election of Baroness Couttie as an Ordinary Member of the Guernsey Financial Services Commission

- (e) motions to debate an appendix report (1st stage);
- (f) articles adjourned or deferred from previous Meetings of the States;

P.2022/31 – Committee for Employment & Social Security – Secondary Pensions – Implementation of Your Island Pension

STATES OF DELIBERATION, FRIDAY, 21st OCTOBER 2022

P.2022/74 – Committee for Health & Social Care – Review of the Children Law and Outcomes (g) all other types of business not otherwise named; The Income Support (Implementation) (Amendment) Ordinance, 2022

No. 62 of 2022 – The Public Holidays (Funeral of Her Majesty Queen Elizabeth II) Regulations, 2022 No. 63 of 2022 – The Sanctions (Implementation of UK Regimes) (Bailiwick of Guernsey) (Brexit) (Amendment) (No. 4) Regulations, 2022

No. 65 of 2022 –The Land Planning and Development (Visitor Accommodation) (Exemptions) Regulations, 2022

P.2022/85 - The Social Insurance (Rates of Contributions and Benefits etc.) Ordinance, 2022*

P.2022/86 - The Long-term Care Insurance (Guernsey) (Rates) Ordinance, 2022*

P.2022/93 – The Secondary Pensions (Guernsey and Alderney) Law, 2022*

P.2022/94 – The Criminal Justice (Miscellaneous Amendments) (Bailiwick of Guernsey) Ordinance, 2022*

P.2022/95 –The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) Ordinance, 2022*

P.2022/98 – The Lending, Credit and Finance (Bailiwick of Guernsey) (Commencement) Ordinance, 2022*

P.2022/96 – The Human Tissue and Transplantation (Excluded Material) (Bailiwick of Guernsey) Ordinance, 2022*

P.2022/97 – The Fishing (Amendment) Ordinance, 2022*

P.2022/90 – Policy & Resources Committee & States' Trading Supervisory Board – Alderney Airport Runway Rehabilitation*

P.2022/92 – Committee for Home Affairs – A New Guernsey Anti Money Laundering Combating the Financing of Terrorism Forum*

P.2022/88 – Policy & Resources Committee – Reform to the System for Publication of Official Notices and Establishment of the Guernsey Gazette*

P.2022/84 – Committee for Economic Development – Guernsey Competition and Regulatory Authority Accounts and Auditor's Report for the Year ending 31st December 2021*

Amendments to the proposed meeting dates and order are permitted only for those items marked with an *

The States' Greffier: Article 9, Policy & Resources Committee – the Schedule for Future States' Business.

The Bailiff: Deputy Ferbrache, is there anything to say? No. There have been no amendments submitted. There is a single Proposition as to whether you are minded to approve that Schedule. Greffier, will you open the voting, please?

There was a recorded vote.

3900

Carried – Pour 30, Contre 0, Ne vote pas 1, Absent 6, Did not vote 3

POUR	CONTRE	NE VOTE PAS	ABSENT	DID NOT VOTE
Deputy Aldwell	None	Deputy Gollop	Deputy Bury	Deputy Burford
Deputy Blin			Deputy Dudley-Owen	Deputy Leadbeater
Deputy Brouard			Deputy Falla	Deputy Taylor
Deputy Cameron			Deputy Le Tocq	
Deputy de Lisle			Deputy Meerveld	
Deputy de Sausmarez			Deputy Trott	
Deputy Dyke				
Deputy Fairclough				
Deputy Ferbrache				
Deputy Gabriel				
Deputy Haskins				

Deputy Helyar

Deputy Inder

Deputy Kazantseva-Miller

Deputy Le Tissier

Deputy Mahoney

Deputy Matthews

Deputy McKenna

Deputy Moakes

Deputy Murray

Deputy Oliver

Deputy Parkinson

Deputy Prow

Deputy Queripel

Alderney Rep. Roberts

Deputy Roffey

Alderney Rep. Snowdon

Deputy Soulsby

Deputy St Pier

Deputy Vermeulen

The Bailiff: Now in respect of the Proposition about the Schedule for Future States' Business for the next Ordinary Meeting, which is not the next Meeting, there voted in favour, 30 Members; there was 1 abstention and no Members voted against; 9 Members were absent; and therefore I declare that duly carried.

Thank you all very much, Members of the States, for completing the business, sort of on time, minus one bit. And we will see you again a week on Tuesday. Do not forget it is a Tuesday start for the Budget Meeting and I will invite the Greffier to close this Meeting, please.

The Assembly adjourned at 5.34 p.m.