

GIBA statement in response to the 2020 Budget

“The Committee for Policy & Resources budget statement outlines the medium to long-term financial challenges facing the States of Guernsey. Essentially, these challenges surround the increasing spending demand from the various departments and the impact of Guernsey’s ageing population.

“GIBA recognises the steps that have been taken to drive efficiency from the States’ machinery and the ongoing work in that regard. We also recognise the increased demands on resources, especially from the ageing demographic.

“We believe that, after approving the budget for this year, the States must decide what should be the appropriate level of government expenditure (essentially what size of government do Islanders want), followed by a sensible review of how this is financed. This process reflects the way most mature democracies operate.

“We accept that it may be necessary to raise additional corporate, personal and consumption taxes. However, we advise a cautious approach to increasing business taxes as not to upset the corporate tax regime that has been approved by the EU.

“We also need to consider tax increases in the context of the 10% rate having been extended to most financial services providers already, the annual increase of commercial TRP in excess of inflation and the increased cap on employers social security.”

Tony Mancini, GIBA Chair