



Economic and International Affairs Scrutiny Panel

Quarterly Hearing

Witness: (The Minister for Sustainable Economic Development)

Thursday, 25th September 2025

Panel:

Deputy M. Tadier of St. Brelade, Chair

Deputy K.M. Wilson of St. Clement, Vice-Chair

Deputy M.B. Andrews of St. Helier North

Witnesses:

Deputy K.F. Morel of St. John, St. Lawrence and Trinity, The Minister for Sustainable Economic Development

Mr. R. Corrigan, Chief Officer, Department for the Economy

Mr. H. Harvey, Head of Local Economy, Department for the Economy

[13:38]

Deputy M. Tadier of St. Brelade (Chair):

Minister, thank you for attending upon the panel today. So just for the usual formalities, I am Deputy Tadier, I am Chair of the Economic and International Affairs Scrutiny Panel. The rest of the panel joining me today.

Deputy K.M. Wilson of St. Clement (Vice Chair)

Deputy Karen Wilson, Vice Chair.

Deputy M.B. Andrews of St. Helier North:

Deputy Max Andrews.

The Minister for Sustainable Economic Development:

I am Deputy Kirsten Morel, Minister for Sustainable Economic Development.

Head of Local Economy, Department for the Economy:

Heath Harvey, Head of Local Economy within the Department of Economy.

Chief Officer, Department for the Economy:

I am Richard Corrigan, Chief Officer, Department for the Economy.

Deputy M. Tadier:

Welcome. Just before we start, do not take this in any kind of bad way, because we have quite a lot of questions to get through, we are going to aim to do roughly ... if you can try and keep your answers short and even to a minute. I do not want to have to use it but I might be running a stopwatch at some point. We will try and do our part as well. That is so that we can actually get more out of you, so it is not so you cannot talk, it is just so that we can actually just get through the questions and you will get to talk and, of course, put your points across anyway. I am going to hand over to Deputy Andrews just to give the opening questions, if that is all right.

Deputy M.B. Andrews:

Thank you, Chair. Thank you, Minister, for being in attendance today. The panel is obviously aware that last Thursday you attended an event "Population ... open the doors or pull up the drawbridge" and I just wanted to know what was your key message that you wanted to convey to the audience?

The Minister for Sustainable Economic Development:

The key message was about the awareness of the demographic challenge. The fact that we have this big healthcare need and social care need over the next 15 years, but we are already seeing that in action. The previous day I spoke to the Chamber of Commerce and showed them a graph of how principally health funding has increased significantly in the last 6 or 7 years. So that demographic challenge is testing us today. It is not something that will start in 2040. It has already started and we are moving there. That ultimately, while the Future Economy Programme is designed to reduce the need for inward migration by increasing productivity of businesses, there is still a need for inward migration in order to maintain the economy and the quality of life in the Island.

Deputy M.B. Andrews:

Of course you mentioned there about net inward migration and I think there was, in fact, one business leader who said we need to be relying on net inward migration but to what extent are we going to be relying on net inward migration?

The Minister for Sustainable Economic Development:

I would say that depends on the ability for businesses in Jersey to increase their productivity. That is not me putting it on businesses, it is all of us in that sense. The more growth we can achieve with the existing population, the less need we will have for inward migration. The story of my life in Jersey for 50 years now is we have always relied on inward migration. I do not know of any period in my lifetime in Jersey where inward migration has not been necessary.

Deputy M.B. Andrews:

Of course there is some rhetoric as well from some sections of the Island community saying: "Look, we are already overpopulated" and there is now this view that there should be a reliance on more net inward migration from their perspective. So what do you think the Government could do to try and curb the extent of net inward migration and how would you go about doing that?

The Minister for Sustainable Economic Development:

So I think it all comes into the productivity play, so it is the same idea but that is also government productivity and government efficiency. The way we reduce the need for net inward migration is by generating more value from our businesses, from ourselves, per person in the Island. That is the basic way. A really clear area where this could help would be the adoption of artificial intelligence software in key areas. I know the private sector is adopting it in different areas, I think Government needs to as well, particularly in processes, administrative areas, enabling people to be freed up to work on much more high value areas. I think that is one key area that could help.

Deputy M.B. Andrews:

Obviously, Minister, we have just seen the outcome of Brexit and obviously there are relatively new trends in terms of the Island's population and, of course, the net inward migration coming into the Island in terms of maybe new nationalities who tend to be coming to the Island to work. How do you reflect upon the report that was published yesterday and were you surprised at some of the figures that you saw as well?

The Minister for Sustainable Economic Development:

No, none of the figures in there surprised me at all. If there was a surprise it is that the population has increased slightly because I was not entirely sure whether it had or not. But, you know, the population has increased slightly. If Jersey is to continue being a successful Island economically and also socially, given current trends, we will need to see the population increase further. It does

bring pressures, there are no questions about that. You get cultural pressures that build up. We are recruiting people from much further afield because of Brexit. As a result, I think, perhaps the Government needs to play a greater role in helping new arrivals in the Island understand what the Island is, how it is, our values, things like this, just because there can end up being cultural clashes, let us say, because people do not understand the new place they are living in. So I think there is potentially a role for Government there, though I would say at the moment I do not see any direct signs of discontent, but some people will be against population growth. I remember meeting people like that in elections and I will say the same thing to them as I say now, which is, at the moment, we have no other way of generating economic growth that will pay for the Island's changing demographics. So if we do not, at the moment, have population growth, we will become, all of us, significantly poorer.

Deputy M. Tadier:

I have not had a chance to fully look at the population report from yesterday but it does comment that nearly a third, 32 per cent, of this registered population held a temporary work permit. Have you got any thoughts about that figure, how it compares to previously and whether that is quite a high figure?

[13:45]

The Minister for Sustainable Economic Development:

I have not reflected ... I have to admit, slightly similar to you, I snatched reading the report through bits of work from yesterday and I have not properly reflected on that, so I would not be able to provide an opinion, sorry.

Deputy M. Tadier:

Do you have a handle, even if it is an anecdotal one or personal feeling, about the makeup of the Island in the sense that if population is essentially stable - I think I shared your thoughts that population might have dipped - but actually do you have any inkling that there might be a lot more migrant workers who are perhaps housed differently to what the population might be? So are there a lot more people living in hotel accommodation, farm accommodation than there might have been 5 or 10 years ago?

The Minister for Sustainable Economic Development:

Genuinely, I do not know. I cannot answer that question.

Deputy M. Tadier:

I am sure we will have more time to reflect.

The Minister for Sustainable Economic Development:

Yes, it is worth us looking into it.

Deputy M. Tadier:

Sorry to cut in.

Deputy K.M. Wilson:

Minister, can I just ask, in terms of the reference you made to temporary work permits, what arrangements have you put in place with the Minister for Home Affairs to actually assist with the inward migration approach that you have just been talking about? It is suggested that maybe some of the work permit arrangements at the moment may well be problematic.

The Minister for Sustainable Economic Development:

People have different views on work permits, there is no question. We work with the Home Affairs Department, particularly in trying to help them understand the needs of the Island at any given time. Where I have seen us most clearly work with them is around business licensing. I actually see some of the applications and so one of the things I did a couple of years ago was set up a framework which enabled me to delegate some of the decisions around business licensing to officers from the Population Department rather than Home Affairs. It is things like that which, by providing clear policy, enables officers then to get on and process the work. I do not know, Richard, if there is anything from your perspective about our liaison with the Home Affairs Department?

Chief Officer, Department for the Economy:

No, not really. Individual employers may have specific needs from time to time, for example, in the agricultural industry, and they are trying to make good provisions. Albert Bartlett, the main exporter of the Jersey Royal product, they are working through a project at the moment on staff accommodation, to be able to accommodate their workers when they come in. They have asked us for some help and support within Government just to make that happen as quickly and properly as possible before they start to bring workers back in in December ahead of next year's growing season. We get those representations more on an ad-hoc basis rather than there is anything fundamentally flawed with the way that the established process actually works in practice.

Deputy K.M. Wilson:

Are there any changes to the licensing or work permit rules that you think would support the economic activities that you are trying to generate here?

The Minister for Sustainable Economic Development:

We have not sat down and discussed what changes it would be. Obviously, I do know from different areas of the business community, the different views they have. I am often asked by hospitality, could they have longer work permits? Equally, I know that the 9-month work permit works very well still in the farming sector. So, you know, hospitality and farming have 2 different needs there. I think the previous Minister for Home Affairs did a lot of work to create these one year work permits that can be rolled over for a maximum of 3 years. I thought that was a very good signal to the hospitality sector that the Government works with them and tries to solve their issues. I think there is a desire to push them even further from the hospitality sector. The policy at the moment is that anyone who is on one of those one-year rolling up to 3-year visas, the business can help them gain skills and put them on the skills development pathway, which would enable those people to then apply for skilled visas, which then enables them to stay in Jersey for longer and potentially bring family and things like this. So there are pathways to longer staying and I remain open and will always speak on behalf of industries for their views. But I do accept that from a Home Affairs perspective, it is always really difficult because processes do not capture the entirety of the human condition. So there will always be exceptions and needs that perhaps are not being fulfilled.

Deputy M. Tadier:

Can I follow up on the population figures, so again just coming to terms with them, but some of the headlines are that European migration - so not including Jersey or British in that - has gone down by 7 per cent but the rest of world has gone up from 1,850 to 5,030, so it is a 172 per cent increase. Without knowing, of course, the breakdown of all of those jobs and all of those individuals, can it be surmised reasonably that the growth is really in the lower-paid job sector?

The Minister for Sustainable Economic Development:

A lot of it is. Not all of it is, there is plenty of people working in finance who are coming from the rest of the world. So you would have to analyse it rather than surmise it.

Chief Officer, Department for the Economy:

In Government, healthcare and other settings, Government are increasingly looking much further afield than perhaps was the case 5, 10 years ago.

The Minister for Sustainable Economic Development:

You mentioned Brexit and I need to say it, the reason we are having to look further beyond Europe for staff is entirely down to Brexit.

Deputy M. Tadier:

Okay, so what is not necessarily captured in those figures is that ... even those figures do not match up, if you count the ones who have left to European migration in the other way, it seems that there

are a lot more coming in to fill those roles and is there also a possibility that Jersey-born people have been leaving the Island, Jersey-born working-age people or retired people?

The Minister for Sustainable Economic Development:

Jersey-born people always leave the Island.

Deputy M. Tadier:

I am talking about in larger numbers.

The Minister for Sustainable Economic Development:

That is the thing, I do not think we capture it properly to know. It is interesting, I was reading media immediately before coming in here and they understandably talked about young people leaving the Island. I would love to know - and I doubt it is something we can know - if it is different amounts to previously. Because throughout my life, and I am sure it is the same for you, certainly, young people have always left Jersey. I left Jersey, I came back. My sister left Jersey, she has not come back. That is the story of Jersey and being a small Island.

Deputy M. Tadier:

Yes, that is right.

The Minister for Sustainable Economic Development:

But we do not know the quantities and it would be so much better if we did.

Deputy M. Tadier:

The other headline is that the largest increases have been with Kenyan and Filipino nationalities. Do we know what kind of industries predominantly they would be working in?

The Minister for Sustainable Economic Development:

I cannot hazard a guess. I have met Filipino and Kenyan workers in hospitality principally. I also believe certainly we have Filipino workers in the farming sector but I am sure also we have some in the finance sector and elsewhere. I do not know the breakdown of where these people go.

Deputy M. Tadier:

Okay, thank you. Have you finished with your line of questioning?

Deputy K.M. Wilson:

Just one follow up if I can. You mentioned people coming from the rest of the world as a consequence of Brexit, what do you think is the reason why people are not coming from Europe to apply for work permits? Why do you think that is the case?

The Minister for Sustainable Economic Development:

Because they need more than a work permit. If you are a Polish person who is looking to work outside of Poland you can choose Jersey but to get here you will need to get a visa from the U.K. (United Kingdom) before you can get your work permit for Jersey.

Deputy M. Tadier:

So do Kenyans and Filipinos.

The Minister for Sustainable Economic Development:

Yes, but that Polish person can also choose to go to Germany or France or Hungary or wherever in the E.U. (European Union) without any permits or visas needed. A Kenyan may be able to do that in within some regional trade bodies, I do not know, it is possible, but we know that Europe as a wealthier part of the world is always attractive to people. But, at the end of the day, if you are an E.U. citizen, you do not need a work permit or a visa to work in another E.U. country. Britain has put itself and Jersey into the situation where you do need visas to now work if you are Polish.

Deputy K.M. Wilson:

Is that a reason why the work with the Immigration Service or the Home Affairs Department is important for you economically because there are issues around skills gaps in the workforce? Is it suggested that because we are not drawing on the skills in the European markets that Jersey is suffering as a consequence of that? That we are over-relying on the semi-skilled or unskilled workforce to actually maintain and support our economy because it is easy for them to come here?

The Minister for Sustainable Economic Development:

I think it is something that should be looked into because I do not believe we have the research around that or the data around that to substantiate what you are saying. I am not saying either way whether it is true or false. I do not believe we have the data to substantiate that and also the level of skills. I have no idea what level of skills are coming from Kenya or the Philippines or elsewhere, but it is correct that we are not getting European workers coming to Jersey and that is a consequence of Brexit. I just want to do a quick plug. We do have a system with France where French citizen students can come to Jersey for 6 months. They will need a work permit but not a visa. It is a student permit to work in a related industry to their course. So if they are studying business or finance in France, as a degree student they can come to Jersey for 6 months and do a stude, as you would say in France, in the Jersey business. That is a scheme between us and France. It is a

really good scheme and it is one that I wish employers knew more about to be able to take advantage of it.

Deputy K.M. Wilson:

You would collect some data on that to see what the uptake of that would be?

The Minister for Sustainable Economic Development:

The scheme has been there for years. The uptake, I think, is extremely low because people just do not know about it. That is why I took the opportunity to plug it, literally because people do not know about it.

Deputy M. Tadier:

Would that be harder to negotiate now with other countries?

The Minister for Sustainable Economic Development:

I think this is something we should do as an Island.

Deputy M. Tadier:

Would the U.K. let us do it?

The Minister for Sustainable Economic Development:

I think we need to ask the U.K. to let us do it.

Deputy M. Tadier:

Would that have support from other Ministers like Home Affairs?

The Minister for Sustainable Economic Development:

I do not know, I have not asked them.

Chief Officer, Department for the Economy:

I was going to say, I would not presume it to be unskilled or semi-skilled that are coming in. So very skilled and professionally qualified workers in the finance industry are coming in from East Africa, South Africa, and so on. So, again, even in the finance industry, they are looking for well-qualified English-speaking professionals from an increasingly large distance away from Jersey because they are not able to get enough of the raw talent that they need from within.

Deputy M. Tadier:

What it seems to be, though, is that there used to be a political policy, which may still be in place, is that the idea was to create higher paid jobs so when there was a net inward immigration, it was usually to be people working in higher paid jobs. The evidence here seems to be that there has been a proliferation of lower paid work for immigrant workers. Does that have any consequences or is it a problem?

The Minister for Sustainable Economic Development:

No, I think it is the reality. I think it was always something of a wish or a dream that you would only import high-paying jobs. Actually, when I see some of the more extreme right-wing views that are trumpeted around America or the U.K. or France, often they are saying we know we need immigration but we need the right immigration, high skills for high-value jobs. That is a dream; it is not a reality. How many people born in Jersey are willing to go and pick potatoes in the field? How many people born in Jersey, and there are some, are willing to go and work in care homes looking after elderly people? There are some people from Jersey, but not enough. So we know that the lower paid jobs are not being taken up by Islanders or people who are perhaps from Europe or the U.K. So we absolutely need those lower paid jobs to be filled by migration and anyone in any country, the U.K., the U.S.A. (United States of America), or elsewhere, who suggests otherwise is not being honest with the electorate.

Deputy K.M. Wilson:

Do we collect any data on the flow of that migration into skilled or unskilled or semi-skilled work so that we can track the trends? If we are trying to make Jersey a very attractive place to come and work, and we want to attract people with skills as much as we want to attract people who are supporting the economy in a different way, do we actually track whether we are actually on track to retain talent, to attract talent, or are we skewed towards the need to just make sure that we have got people in jobs to actually keep the economy sustainable in those areas where Jersey people would not prefer or not choose to take up that work?

The Minister for Sustainable Economic Development:

Certainly we know how many work permits for which jobs are being issued. Whether it is put against trends or the likely skills need versus where we are, I do not ... I am not sure that happens in quite the same way. Deputy Alves, who is leading population policy may have a better understanding of it. I think Richard may have shaken his head as I said that, that we perhaps do not do that.

Chief Officer, Department for the Economy:

Only in the departmental context. I am aware other departments may well do that.

Deputy K.M. Wilson:

But it is not something you collect?

The Minister for Sustainable Economic Development:

No, our department does not collect that.

Chief Officer, Department for the Economy:

No.

Deputy M. Tadier:

Can I ask a slightly different question? I know you will not mind me saying you are an internationalist in your world view. Are there unintended maybe psychological and cultural consequences for Jersey? I think we are seeing changes that we saw between the turn of the 19th and 20th centuries, where you have a period of natural depopulation of maybe an indigenous population and high levels of immigration from lower paid workers. At that time it was Bretons and Normans, now it is Filipinos and Kenyans. Is there a risk that we are moving to, unintendedly, maybe more of a Dubai model where for all the lower paid service industries that we are just going to see people in Jersey who look different to us and who we only see them by their worth in terms of what jobs they do? Does that make sense?

The Minister for Sustainable Economic Development:

It does make sense. I know you are trying to speak carefully and I appreciate that.

Deputy M. Tadier:

I am trying to speak carefully because you know my views on this as well.

The Minister for Sustainable Economic Development:

Absolutely. Again, I think you and I are very international in our outlook. I think with immigration in Jersey ... I think there is always an issue of social cohesion around large amounts of immigration, no matter where it comes from.

[14:00]

So I said in that population debate that from the 1950s onwards, we had a massive amount of immigration from the United Kingdom. That fundamentally changed the culture in Jersey in a way that I find still now difficult because I strongly like my Jërriais and French roots as well, but the languages I heard being spoken when I was a child are no longer spoken in Jersey. That is because of that wave of immigration from the U.K. I personally have always felt more comfortable with the idea that you get immigration from many different places and then we can help define and evolve

our own strong identity as an Island, rather than importing one identity from elsewhere. So while I personally am quite comfortable with an international influx of immigration, I appreciate that it can cause social issues. I do not think those social issues need happen but I appreciate they can be there.

Deputy M. Tadier:

What I was really getting at, I suppose, is there going to be any opportunity for social mobility for immigrant workers who come to Jersey? I have never liked the term unskilled workers. I think we have actually got very skilled workers who come from a diverse background who can do lots of jobs, possibly only allowed to do certain jobs. Is there going to be an opportunity for social mobility for certain of those workers to make Jersey their long-term home?

The Minister for Sustainable Economic Development:

I would like to think so. Obviously, if someone is on a 9-month work permit, they are not going to be able to but people who are here for those longer-term work permits, I absolutely want them to be able to think that they can make Jersey their home, and that means social mobility.

Deputy M. Tadier:

Do we have the levers to do that, do you think?

The Minister for Sustainable Economic Development:

I would like to think so. At the end of the day, one of the levers, perhaps, that we do not have so much is - or a lever we have, which we use, which perhaps we should not use - we tie our work permits to employers. That in itself is going to create issues around social mobility. Some people might suggest it has bigger issues in that realm, modern slavery and things like this, but we do tie work permits and therefore employees to employers. That is something we could look at changing potentially. It has been relaxed in some areas but I know very well, and I think we all do, when we had a lot of immigration from Europe up to 2020, 2000 to 2020, lots of people would come from Poland or Romania, they would come in working in hospitality or farming but then once their 5 years was up, so to speak, and they were able to work anywhere within Jersey's workforce, they would move into finance and higher skilled jobs. I think everyone has to be able to see a future for themselves. It does not matter where you are from, you always want to see a progression in your future. So I think Jersey should always be able to offer a progression in people's future if they are here for more than just the 9 months.

Deputy M. Tadier:

Okay, thank you.

Deputy K.M. Wilson:

Okay, I am just going to move on to the issues around the living wage and the measures that have been introduced. The Better Business Support Package was launched in March. Could you just give us an outline about how many grants have been applied for and awarded to date? Can you provide a breakdown as to how many were major, minor or apprenticeship grants?

The Minister for Sustainable Economic Development:

Okay, I do not have a list of all the different grants that have been issued - I am just looking through my figures here - across all the different areas. I absolutely will get you the figures around apprenticeships grants versus better business grants versus tourism grants. But I do know that on the Better Business Support Package grants themselves, they are £2.8 million for productivity grants. We have seen, you know, a really impressive ratio for every £100 spent by Government on those grants, £190 has come in from the private sector and that is a superb multiplier effect.

Deputy K.M. Wilson:

Did you expect that?

The Minister for Sustainable Economic Development:

No, do you know what, I did not. I hoped. I did not expect and in my mind when we were talking about this, because it was a 50-50 grant funding situation, in my head for the modelling it was just 50-50 all the way, as a conservative estimate.

Deputy K.M. Wilson:

What do you think that says to you?

The Minister for Sustainable Economic Development:

I think it says that there is a desire to invest in business in Jersey. We know we have a really low business investment rate, that is something we want to change. I think this shows that Government has stimulated that investment, that is a really good thing. People may say Government should not have to. I agree, it should not, but I think it does. There is a fundamental reality in Jersey's business community, we do not invest enough in our own businesses, as either as owners not reinvesting or as external investors looking to place it. So what we have done is shown that the investment can happen and we have stimulated it. That is a good thing.

Deputy K.M. Wilson:

In relation to the other grants, how do you think they are doing?

The Minister for Sustainable Economic Development:

Yes, I do not have the figures about the other grants, I am afraid. It is kind of embarrassing but I do not have them at the moment. But what we do know is the skills grants have not been taken up in the way that we expected them to. I think that might talk to the trainee rate. Certainly, it is what the business community was talking about, the loss of the trainee rate, one reason why it has come back. So that is an area we need to look at.

Deputy K.M. Wilson:

Okay. Thank you for that. You state that in the Better Business Support Package arrangements that it is your overall ambition to increase productivity and protecting competitiveness. Can you tell us how the package is working to achieve this so far?

The Minister for Sustainable Economic Development:

So, again, I will only know that once I understand all the types of projects that have been funded. But it is a huge difference. I know one organisation has taken the money to install a new software system. At the very low end, this is a client relationship management system, a really simple system, it is only a few thousand pounds, but that helps them keep data and relate to their clients better and therefore increase their productivity through better client relationships and better client management. Equally, we have seen businesses, particularly in the hospitality sector, invest in actual refurbishments, whether it is bedrooms or whether it is foyers, they are using that money with their own money to actually invest in the hotels, which is again something that we desperately need.

Deputy K.M. Wilson:

Is there any particular sector where you have witnessed more interest in actually securing that support?

The Minister for Sustainable Economic Development:

No, I do not have that at the moment, but I will look into it. I do not think we have had any one sector stand out above any other but I do know that we have had strong interest from hospitality and agriculture as well. I know the third sector have been getting involved so it has been a wide range of sectors.

Deputy K.M. Wilson:

Okay. One of the things that you talked to the panel about was that from one of the grants £751,000 went to Bergerac. I think it came from the destination marketing grant. We have not seen any reports of any direct income from that investment. Can you advise when the Government expects to receive that financial return and what do you think that might be?

The Minister for Sustainable Economic Development:

I will turn to Heath, if that is okay. Heath, do you have a sense of when we will get that money? Because, you are right, there has been no direct income from it yet.

Head of Local Economy, Department for the Economy:

So we understand the first recoup on Bergerac series 1 will be next year. We have had ...

Deputy K.M. Wilson:

When you say next year, Heath, does that mean at the beginning, middle, end? Have you got a timeframe that you expect to see that return?

Head of Local Economy, Department for the Economy:

No, but I can come back to you on it. It is due 2026 but I can come back to you on when in 2026, I do not recall.

Deputy M. Tadier:

Is that a definite return or is it conditional on certain targets being met by then?

The Minister for Sustainable Economic Development:

No, it was a percentage after the first cut. It is all on international sales. I think it is the first £750,000 went to the producers and then we were getting 12 per cent of sales after that.

Deputy M. Tadier:

On all platforms or on certain ones?

The Minister for Sustainable Economic Development:

As I understand it, it was sales.

Deputy M. Tadier:

So you think there will be some tangible money come trickling in potentially?

The Minister for Sustainable Economic Development:

I hope so. We have sold Bergerac - well, not we, the producers - to a number of other nations. So I would hope to see that.

Deputy K.M. Wilson:

How are you tracking that?

Head of Local Economy, Department for the Economy:

The sales? So we have a quarterly partnership meeting with Visit Jersey and that is a standing item on that agenda. You have to remember that investment was channelled through Visit Jersey, it was a priority of theirs as a destination marketing campaign in essence. Considering the scale of the investment, we ensure it is a standing agenda item and any new territory sales are reported in that meeting. We can come back to you with a one or 2-pager, if you would like, on the recoup, the anticipated level, the timing, any new territories that have been sold the rights to, et cetera.

Deputy K.M. Wilson:

I think that would be helpful because people are looking for that information to say was it worth it, is it actually doing what it says on the tin in terms of promoting Jersey and actually generating economic activity as a consequence of it?

The Minister for Sustainable Economic Development:

That is what we want to know.

Chief Officer, Department for the Economy:

I think it is important to look at it in that context. The Government did not support Visit Jersey for money for Bergerac with a view to us becoming a screenplay investor, it was not done for that reason. It was done to drive interest in Jersey in the hope that that helps as another plank of growing the visitor economy. First and foremost, it is that growth in visitors and reasons for coming to Jersey that should be dominating. Anything else that we are getting by way of additional proceeds or returns from sale of the rights, that is jam on top and the intention is that that would get reinvested back into Visit Jersey.

Deputy K.M. Wilson:

But we have not seen the kind of visitor interest that was originally anticipated as yet?

The Minister for Sustainable Economic Development:

In interest we have, actual bums on seats is different. One of the stats I got here was effectively a two-thirds increase in online searches for Jersey following the launch of Bergerac, so interest definitely but then actually on a plane, booking a hotel, different matter and different factors come into it.

Deputy M. Tadler:

I had trouble finding Bergerac initially to watch it, so I had to download a particular app on my television, which was not straightforward. Our core market remains the U.K. for tourism, does it not, so do we know if many U.K. television viewers are watching Bergerac? How easy is it for them to watch? It is not on BBC, is it?

The Minister for Sustainable Economic Development:

No, it is on U.

Deputy M. Tadier:

Yes, because I had never heard of U until Bergerac.

The Minister for Sustainable Economic Development:

It depends which TV platform you have. So, on Sky, I know in the week of the launch, if you turned on your Skybox, the very front page of Sky was just Bergerac. If you had a 50-inch screen, you had 50-inch Bergerac up front in front of you. It was very easy on some packages to find it. On others, it may be less easy, but we know that U, as a channel, had their best ever figures for the launch of Bergerac. They had never had such good figures and it was about, if I remember rightly, 1 million viewers.

Deputy M. Tadier:

Has any thought been given to maybe tying into the old Bergerac as well? There are still visitors who come to Jersey because they know the old Bergerac series.

The Minister for Sustainable Economic Development:

Again, I know on Sky they were absolutely rerunning the old Bergerac in the run-up to the launch of the new Bergerac. We have not, I do not think, for our advertising, et cetera, tied the 2 together and that might be something worth asking Visit Jersey.

Deputy K.M. Wilson:

Last one from me in terms of the Registered Employee Support Scheme, this was a £300,000 grant that was given to support lower income workers who have lived in Jersey for more than 5 years. This scheme is due to be reviewed in quarter 3 2025, are you still on track with that review? Where is it up to?

The Minister for Sustainable Economic Development:

I have to say that is not our part of the Better Business Support Package, that is entirely for the Minister for Social Security. It was her request in this package that she wanted to help people who had not been here for 5 years but would still need support. We will ask the Minister for Social Security for her analysis but it is very much her analysis and that was very much her part of the package.

Deputy K.M. Wilson:

In terms of the package, what sort of observations are you making about how that is supporting low-income workers?

The Minister for Sustainable Economic Development:

I do not, at the moment, have any observations in that particular perspective. I think once the productivity investment grants go through, I would hope that it helps all workers but particularly lower-income workers in the work that they do, enables them to not just be more productive in themselves but free them up to work in different areas within the business as well. I think it should give them more freedom within their roles. But we have to wait and see. This is the first 6-month report, it is very much just the bare bones of the report. We are a long way yet from doing any analysis on the socioeconomic gains in the wider long term.

Deputy K.M. Wilson:

Given that you have committed £300,000 in the form of a grant, how satisfied are you about the way in which the scheme is operating?

The Minister for Sustainable Economic Development:

The whole thing or just the £300,000?

Deputy K.M. Wilson:

Just the £300,000.

The Minister for Sustainable Economic Development:

Well, at the moment I am unable to comment on that, I would need to speak to the Minister for Social Security about that. When the Minister for Social Security made the suggestion that she would like to see about £300,000 to help registered employees, it seemed like a very good idea to me. I understood that, again, what she was trying to do was fill a gap in the existing system, I think it was a worthy gap to be filled and so I supported her in having that part of the grant for her department.

Deputy K.M. Wilson:

In terms of managing the performance from that department in relation to investment that you have made in it?

Chief Officer, Department for the Economy:

The money does not come to this department or this Minister, it goes directly to them through the Minister for Social Security, so it is not a grant from us to another department.

[14:15]

We never saw that £300,000 in the first place, it has gone straight to that other Minister instead of expenditure.

The Minister for Sustainable Economic Development:

What you must remember as well is this is Social Security money in the first place, so the £10 million per year is £10 million from the Social Security Reserve Fund, so in that sense as well it is the Minister for Social Security's money which she has passed to us, £9.7 million worth of it and that £300,000 in a sense never left her department.

Deputy M. Tadier:

Minister, can we turn to the visitor economy? I have a number of questions on this area. First of all, can you just talk to us about your analysis of the dip in numbers and remind us of what the decline was in tourists so far this year.

The Minister for Sustainable Economic Development:

Yes, so I think we have seen about a 14 per cent decline.

Deputy M. Tadier:

Up to what point was that?

The Minister for Sustainable Economic Development:

That is up to June.

Deputy M. Tadier:

We have got 16 per cent here but we will not quibble over it.

The Minister for Sustainable Economic Development:

I apologise, I read 14 that I had written down earlier but that was Guernsey's decrease in the year before, sorry.

Chief Officer, Department for the Economy:

Year to date, January to July, versus the same period 2024 was 16 per cent, yes.

Deputy M. Tadier:

You have been reported in the media saying that it is not just down to the ferries but there are other factors included in that. What are those other factors?

The Minister for Sustainable Economic Development:

Well, we know it is not just down to the ferries because there was a greater decrease in the passenger numbers through air. Obviously, DFDS have nothing to do with air passengers.

Deputy M. Tadier:

A greater number, not percentage-wise though?

The Minister for Sustainable Economic Development:

No, number. A greater number. So there was a greater decrease in the passenger numbers by air.

Deputy M. Tadier:

Only by number, though, not as a percentage.

The Minister for Sustainable Economic Development:

Yes, but numbers are more important than percentages. Percentages are relative and percentages can tell a myriad of funny stories whereas actual numbers tell you. We saw a greater decrease in air passengers than ferry passengers so we know it is not just a ferry story by that fact alone.

Deputy M. Tadier:

Do you have the figures?

The Minister for Sustainable Economic Development:

It is about a thousand difference, just shy of 26,000 air passengers and just shy of 25,000 sea passengers.

Deputy K.M. Wilson:

Do we know why that is at all?

The Minister for Sustainable Economic Development:

I will say it all again as I have said to you before, we know there is a complete lack of confidence in the U.K. holiday market and consumer market at the moment. We have seen Ireland, Iceland and other U.K. dependent nations see significant falls in their number of U.K. visitors. So going to percentages, Iceland I am informed saw a 13 per cent decrease in U.K. passengers; Ireland saw a 9 per cent decrease in U.K. passengers over the same period, January to July. That tells us that there is a general downturn in the market. It is important. Jersey saw a really big increase, I think it was about 8 per cent increase, in 2024 in passengers. So we had a growth in 2024 and we have had, yes, a decrease this year. Guernsey's done the opposite. Guernsey had a big decrease of 14 per cent last year and this year it is seeing an increase.

Deputy M. Tadier:

Can I just challenge that? The report here in the media says that the Port of Jersey Chief Operating Officer said air passenger numbers had remained broadly consistent with 2024.

The Minister for Sustainable Economic Development:

They are 25,000 lower than last year.

Deputy M. Tadier:

25,000.

The Minister for Sustainable Economic Development:

But I think in terms of percentages, going back to percentages, it will be a much smaller percentage.

Deputy M. Tadier:

The reason I think percentages are important ...

The Minister for Sustainable Economic Development:

I think it is about 1 per cent it worked out to.

Deputy M. Tadier:

The reason I think percentages are important is when we talk about 1 per cent or 2 per cent that could be fluctuations. It is never going to be exactly the same as the last year but we have seen a big decrease in foot passengers. Also from what Jersey Heritage have said is that their lets are down by 8.5 per cent but actually bookings from France are down by 62 per cent. We know the French tend to come by boat. So is there actually also an issue with the French market more generally? Are there steps we need to take to make sure that Jersey is being advertised sufficiently?

The Minister for Sustainable Economic Development:

I do not think Jersey has been advertised sufficiently in France. I have taken that up with Visit Jersey, not just this year but last year. I do not think we have focused enough on France. Obviously with that change of ferry, there was less ferry-based marketing. The ferry company was not marketing during that period. So we have seen less advertising in France. There is also just a real fact, which is when it comes to passengers from France, regardless of which tender we chose, Guernsey was going to get direct sailings to France which it had not had before. Guernsey was always going to see a likely increase in its foot passengers and its passengers to Guernsey and probably that would be taken from Jersey because basically visitors from Saint-Malo were not able to go to Guernsey directly before. For the first time in many, many years they are able to go directly

to Guernsey. Either way we were going to see a shift from Jersey to Guernsey, literally on the novelty factor, if nothing else.

Chief Officer, Department for the Economy:

That would have happened irrespective of a joint Channel Islands tender award to an operator, because Guernsey specified that in the joint tender process. Quite rightly, from their point of view, why would you not want to have a French day trip market into Guernsey, just as we had enjoyed for many, many years, and had that market largely to ourselves? So whether it was a joint tender or whether it was the fact that 2 separate companies have been appointed, visitors in the Saint-Marlo region would have a choice of day trip options to go to Guernsey or to go to Jersey with effect from whenever those new operations came into being.

Deputy K.M. Wilson:

The deeper question is ... I accept that there is a global issue around people travelling but there has been a significant amount of investment put into the visitor economy work. At what point are you actually going to realise or see the value of what that investment is going to bring to Jersey? Are there any things that you think need to change to change people's behaviours, activity, perceptions, whatever, to actually achieve your ambition? Because I think the question we are trying to get an answer to is that there are targets set and based on some of the conditions that you talk about they are never going to be achieved so the question is: are the targets realistic?

The Minister for Sustainable Economic Development:

You speak in such a strange way. We are talking about one ...

Deputy K.M. Wilson:

It is not strange, it is just trying to ...

The Minister for Sustainable Economic Development:

No, we are talking about a 7-month period from January to July and I just said to you beforehand last year we had a 14 per cent increase ... sorry, an 8 per cent increase in passengers to Jersey.

Deputy K.M. Wilson:

We have got 25,000 seats that have not been filled.

The Minister for Sustainable Economic Development:

So we are one transitional year and we are only 7 months into that transitional year in terms of the figures that we have had. It is of concern, it is something that I tasked Visit Jersey with understanding, reacting to and working out how best to prepare for next year. I personally do think

there are things we could do with our advertising and our marketing which are different to the way we do it. I am not convinced that just one big brand rollout is the way to do it. I think we have to get much better at tactical marketing. We had Supertri last week, we have the marathon in a couple of weekends. They are really niche, key sports, which attract large audiences. I do not think we are advertising to those audiences and saying: "Look, we have this event coming to Jersey next weekend, come to Jersey" linking these things. I think that has tended to be left to the industry in the past but, for some reason, I do not think it is happening at the moment. We need to work with industry to get that tactical marketing happening. Visit Jersey did do tactical marketing this year around packages. That was broadcast about a month ago and they have had huge success. They have sold just shy of 1,000 seats over a 3-week period, I think it was. I think we do need to be able to be more flexible and react to market conditions. That makes a lot of sense, given that we know people stay for shorter periods of time and they book much closer to their departure date than they used to. I am not convinced yet that either the hotel sector or Visit Jersey's marketing are really in that position where they are acting and reacting to the market.

Deputy K.M. Wilson:

Thank you for that, which has actually addressed my strange question. I think the reason why we are asking it is because some of the perception that people have about the visitor economy performing well is not being experienced and I think what we are trying to get from yourselves is an indication about where you see that improvement, where you see that stimulus happening.

The Minister for Sustainable Economic Development:

I would hope so.

Deputy K.M. Wilson:

Accepting that there is a transitional period. But people are not feeling it, people are not feeling confident about it at the minute, and that is why we are asking the strange question, with all respect.

The Minister for Sustainable Economic Development:

It is really interesting as well because we have been kind of pitched in the media against Guernsey these last few months and Jersey's tourism industry is twice the size of Guernsey's tourism industry. We get 1.9 visitors per head of population; they get 1.2, or 1.02 possibly, visitors per head of population. They get barely one tourist per Islander; we get nearly 2 tourists per Islander, so we have a much bigger industry. As I said, last year Guernsey's industry fell by 14 per cent; Jersey has fallen by 16 per cent this year. We can attribute some of it directly to things like the ferries or the problems of Blue Islands, so a large part of that 25,000 loss of air passengers will be the problems from Blue Islands. I think we need to put it into context. We must not get drawn into the one Island versus the other debate, they are 2 very different visitor economies. Ours is a much bigger visitor

economy and it will remain for the foreseeable future a much bigger visitor economy. I wish Guernsey all the best of luck in developing their visitor economy. I think we are better working together in that respect but one of the messages I got when I started my term of office from Guernsey was: “We do not want to market it as the Channel Islands.” That was the message I had from Guernsey back in 2022. I still think we can do that.

Deputy K.M. Wilson:

I think the questions are about what we are doing here rather than drawing any comparisons like this, just to be clear.

The Minister for Sustainable Economic Development:

No, I am just saying that I am the one who is seeing in the media how we are being pitched against Guernsey the whole time.

Deputy M. Tadier:

Shall we bring in Mr. Corrigan? I think he has been waiting to speak as well.

The Minister for Sustainable Economic Development:

Apologies, Richard.

Chief Officer, Department for the Economy:

First of all, I think we are doing a lot, there is an extra 40 per cent of funding that has gone into Visit Jersey this year compared to previous years. As I outlined to the Public Accounts Committee yesterday, since Visit Jersey’s creation their budget has been pretty much flat for that whole period so that reduces their buying power year on year with inflationary pressures. Obviously in the period since COVID other jurisdictions are marking themselves ever harder and throwing evermore money at this and Jersey has not done that until this year for the first time with this ...

The Minister for Sustainable Economic Development:

I am the first Minister to increase the budget at all.

Chief Officer, Department for the Economy:

... extra £2 million. That said, Jersey cannot necessarily buck other much broader macro trends. If you are looking at easyJet’s passenger numbers overall, not just to Jersey, their overall routes in and out of the U.K. they are experiencing downward pressure and volume. Jet2, another airline that serves Jersey, they are experiencing downward pressure, so failing to meet passenger growth forecasts that they had set for themselves. We are not immune to those same pressures; that is people choosing to keep their money in their pocket and not travel. If they are not travelling by air,

they are not necessarily travelling by ferry either whoever the operator is. We just have to be mindful of those wider external downward pressures and we have to market ever harder into that mix to ensure that we get a fair share of representation for Jersey's offer and obviously our fair share of wallet in terms of those that do choose to travel.

The Minister for Sustainable Economic Development:

I think it is really important as well - and I tried to say this before and I tried to be very diplomatic - but the recent sale that Visit Jersey did with a U.K. operator and was offering packages to Jersey at lower prices - and this is in discussion with Visit Jersey - proved that Jersey has a price problem. Quite simply, by bringing down the price - and Visit Jersey themselves subsidised those prices - they got, in a few weeks, 1,000 visitors. One of our big issues is price and value. I was recently comparing a hotel in Newquay with a hotel in Jersey, both very similar hotels, same star rating, et cetera, the hotel in Newquay was over 30 per cent cheaper, £100 cheaper, but the room in Newquay was 30 per cent bigger than a room in Jersey. Jersey was paying 30 per cent more for a holiday in Jersey for a 30 per cent smaller room. That is bad value and these are the structural issues that we have in the industry. That is where I really welcome new hotel stock. We have got the Strive application and we have got the Millbrook House Hotel application, so I think they can set new standards, but it also shows us we cannot change room sizes, for instance. That is what we are trying to do in part through the Better Business Support Package. It will not change room sizes, that is a lot more money needed for that, but to help those businesses invest in revenue management systems that will help improve their productivity and invest in a new foyer if that is going to help you do it because these things have not been invested in.

Deputy M. Tadier:

Minister, could I just bring in Deputy Andrews?

Deputy M.B. Andrews:

Minister, you just touched on about 2 applications for hotels and I just wanted to know whether you have any figures available in terms of the number of hotel beds in the Island for the last few years and whether you believe ...

The Minister for Sustainable Economic Development:

It is approximately 9,000.

Deputy M.B. Andrews:

Approximately 9,000. Do you believe there are potentially limitations now with the stock being reduced from where it was a few years ago that that potentially has impacted with some people maybe not coming to Jersey as well?

The Minister for Sustainable Economic Development:

A lower number of beds - it is pure supply and demand - is likely to see prices increase in the rest of the beds, particularly in the tourist season. Those beds that are left, because there are fewer of them, you are likely to see prices rise as a result, and I just talked about price being an issue in Jersey. It is not just because of beds, minimum wages, things like this, taxes on duties, they all add to the price situation in Jersey. We are a high-priced Island. We have been at roughly 9,000 beds for a while; it has been slowly chipping away. It is something we need to change but what we have is massively excess capacity outside of the tourist season, so those 9,000 beds ultimately aggregated across the whole year, in a sense their average is probably quite good in terms of occupancy. What we have is probably a shortage in the peak of the summer and the rest of the year we have got too many beds.

[14:30]

What we need to do and what we are trying to do with events and an event-led tourism strategy in that respect is get beds being filled outside of the summer season, and that is something we are still trying to do.

Deputy M.B. Andrews:

What changes would you like to see in order to see the hospitality industry thrive and in particular the hotels as well?

The Minister for Sustainable Economic Development:

I really want to see the hospitality sector working with Government and they are. Do not get me wrong, we have had really good dialogue. I said last time I was here that we are setting up work and we have set up the event twice. I think that maybe needs to be turned into something which is a lot more formal in terms of actions because again you do not just want to be talking shops, you need actions. The industry does need to understand strongly that it is a 2-sided piece here. There is the Government side, Government Visit Jersey, et cetera. We need to be doing the things we need to do and I am always listening. I had an Islander send me suggestions recently for tourism; I agree with many of them. I am delighted that they sent me those ideas, so we are always listening, but there is also a lot of work to do on the hotel side as well, on the hospitality side. We have got a wonderful restaurant and retail offering in Jersey; that is really good for our visitor economy. We are doing up the public realm, that is another thing Government is doing. We have invested a lot in heritage and the realm of heritage over the last few years. Deputy Tadier knows about Elizabeth Castle, et cetera. There is a lot more than just Elizabeth Castle being done. The Government side

is doing an awful lot and what we do need is to try to help the industry get its product into the place that it needs to be to offer the value that our prices demand.

Deputy M. Tadier:

Thank you. I am going to hand over to Deputy Wilson. I was going to move on to a related subject of ferries, DFDS.

The Minister for Sustainable Economic Development:

I was going to say: "Which ferry company?"

Deputy K.M. Wilson:

Minister, can you tell us please that you have committed to publishing an appropriately redacted version of the concession agreement?

The Minister for Sustainable Economic Development:

Yes.

Deputy K.M. Wilson:

Can you advise the panel when you think you will be able to publish the agreement?

The Minister for Sustainable Economic Development:

Not too long. Richard will be able to tell you in the sense of they are part of the way through the redaction at the moment. That is going on at the moment and we need to get it checked both legally and also DFDS need to weigh in with their suggestions. I do not think we have gone to DFDS yet.

Chief Officer, Department for the Economy:

It has gone to DFDS earlier this week to their legal team in-house to look at the proposed redactions to the Government side, to consider those. If there are any others that they would wish us to consider making, we will consider that and then it will go through the Law Officers' Department. I think as I said in the Corporate Services Scrutiny Panel last Friday in regards to a similar question, we do not want to just publish a very dry contract, we want to put some explanatory notes around it as to why certain clauses exist and what they mean in practice through the contract management lifecycle so it is as useful to the reader as it possibly can be. Otherwise, in its very legal form it may be of interest to the very many lawyers that live and work in Jersey but may not mean quite as much to the travelling public, to the Island consumer. Let us be clear, every household in the Island is touched by ferry services, whether it is freight or for those that choose from a discretionary basis to travel as a passenger.

Deputy K.M. Wilson:

That sort of links into my next question which was: is your guidance note going to almost explain what and why things have been left out and why they have been redacted?

Chief Officer, Department for the Economy:

I think the redactions will be fairly obvious as to why. If I give an example of the types of things that would be redacted, in order to justify making a level of investment that DFDS has committed to over the life of the contract, there has to be a certain target return on equity that they make over the life, otherwise the investment case just does not stack up. But it would be hugely sensitive commercially to publish their target return in a contract that is open to every other ferry operator to then go and have a look at. Things like that would be redacted because it is of the utmost commercial sensitivity. The fare structure again is on a minimum fare, a mean average fare and a maximum fare. Some elements of that would be redacted because again that gives away part of the passenger pricing model that is important to DFDS.

Deputy M. Tadier:

But they are not competing with anyone on the Jersey route, so why is it commercially sensitive?

Chief Officer, Department for the Economy:

But there are lots of other routes that are not necessarily direct but are other comparable routes, so it is important that those are commercially sensitive. We will work with them to see what we can and should reasonably publish versus other aspects that really are commercially sensitive.

Deputy K.M. Wilson:

Do you think that those discussions would involve some confidence between Government and DFDS about what the least restrictive approach to releasing information would be?

Chief Officer, Department for the Economy:

That is exactly what we have taken but at the end of the day the decision will sit with the Minister as to what he believes he wants to put into the public domain. We will make recommendations and the Minister will be able to determine appropriately what should go in and to the extent that that needs legal advice around it. Let us be clear, in a tender process DFDS have committed a fare structure in their tender. Condor have committed - and it was Condor in the Jersey tender, not Brittany Ferries as people pretend to be the case - a fare structure. That is not going in the public domain the way that you might ... an unredacted contract would put the DFDS fare structure in the public domain which is commercially sensitive to both parties. That is why it will be redacted from the actual concession agreement, in the same way that we are not publishing the tender that Condor made as part of the tender process either.

Deputy K.M. Wilson:

Do you foresee any complications arising from the publication of this agreement at all?

Chief Officer, Department for the Economy:

Complications, no, not necessarily. Will it generate another wave of speculation and interest? Quite possibly because these things just seem to. There is a view that some things somewhere are hidden or not discussed. The contract is far more comprehensive than the outgoing operating agreement which, from Jersey's standpoint, was a really poor agreement that meant when we had to act on things, we simply did not have the teeth to act. That was negotiated by a different Minister, different Chief Officer at the time. I believe - and I do not want to put words in the Minister's mouth - I think we have a contract that has teeth, that is commercially appropriate, that underwrites resilient services well into the future and secures significant investment in the passenger experience and resilience of the freight supplied to the Island.

Deputy K.M. Wilson:

Just to press you on how soon we will see this, Richard, please.

Chief Officer, Department for the Economy:

My expectation, all being well, is mid to late October, so I will say late October at the very latest. As I say, it depends on how long it takes to go through Law Officers. The contract is written under English law. You have a Danish company, you have a Jersey contracting authority as government, the contract is written in English law, so if there are any complexities we may have to run it ... Jersey Law Officers deal with Jersey law so we may have to go through English lawyers if there are any points of contention or dispute in what is to be published. We want to get it published as soon as we can but I would say as a backstop date, by the end of October at the latest.

Deputy K.M. Wilson:

Thank you.

The Minister for Sustainable Economic Development:

I am in your hands on that; I have no role except to sign it off. I am not playing any role in that.

Deputy K.M. Wilson:

No. Okay, thank you.

Deputy M.B. Andrews:

Minister, you have obviously been made aware of work that has been undertaken for the Frequent Traveller Scheme and I just wanted to know whether you could provide us with an update.

The Minister for Sustainable Economic Development:

Last I spoke to DFDS management was that they were absolutely working on that and they expect it to be out soon. I did not have a date; I do not know if you have a date since then.

Chief Officer, Department for the Economy:

No. They have a group-wide scheme because they operate passenger routes in a number of different areas. There is a group-wide scheme that is under development. There is a level of impatience on our side to have something in place sooner and I think that is reflected by the travelling public. We have asked that they accelerate something through sooner. In one of the businesses that I believe they acquired on the Gibraltar Strait, there was an existing loyalty programme in there, so they are looking at whether that could be adapted and implemented for Jersey more quickly than the current group-wide scheme that is under development. We do not have a definite implementation date yet but it is part of the active discussions that both the Minister and the Chief Minister had with senior DFDS leadership a couple of weeks ago.

Deputy M.B. Andrews:

Okay, thank you. Thank you, Chair.

Deputy M. Tadier:

Thank you. Minister, once the document has been published it will be easier I think for us to ask questions and there will probably be a flurry of public interest and media interest.

The Minister for Sustainable Economic Development:

I look forward to it.

Deputy M. Tadier:

We will maybe park some of that for now.

The Minister for Sustainable Economic Development:

That is a lie; am I allowed to lie?

Deputy M. Tadier:

Sorry?

The Minister for Sustainable Economic Development:

I said: "I look forward to it" and then I said: "That is a lie; am I allowed to lie to Scrutiny?"

Deputy K.M. Wilson:

You are allowed.

Deputy M. Tadier:

Minister, there have been a lot of comments about flat rate cards, about the potential increase for freight fees and also the fact that harbour fees have been charged retrospectively. Can we start with the latter? Can somebody explain to us in layman's terms, what has the issue been around the harbour fees, the way that they have been applied retrospectively, why that happened, why it seems to have taken businesses by surprise?

Chief Officer, Department for the Economy:

Do you want to comment about some of the recent reporting?

The Minister for Sustainable Economic Development:

I was going to say there are 2 fees, and I think we have discussed them before. There was the fee based on weight and that was one that I understand DFDS had trouble billing, the technical side of it, and so that is the bit that has been applied retrospectively. That is a high ...

Deputy M. Tadier:

When you say they had "trouble billing", what do you mean?

The Minister for Sustainable Economic Development:

I do not know; I am not them. You would have to ask them.

Chief Officer, Department for the Economy:

I think the DFDS they ... let us recall that the contract was signed on 31st December and it could only safely be signed then after we had extinguished the legal cases, the frivolous legal action that Brittany Ferries brought. The contract was signed 31st December, services started on 27th March, so a 3-month buildup to establish a fully-loaded ferry service, all the vessels, the crewing and everything else, one of the aspects that was late coming through was the actual processing of all the billings. Obviously, DFDS were being invoiced for the services that they were receiving from ports and stevedores and everything else, and they were having to then get their team in Jersey up and running, not just in terms of crew, but also the bit that sits behind all of that.

Deputy M. Tadier:

But they must have known what the fees were going to be.

Chief Officer, Department for the Economy:

They did know what the fees were going to be, yes, but it is the actual billing of those fees on things like tonnage, number of trailers, who the customers were, getting the customers in the first place onboarded to DFDS systems. What they have done is tonnage charges that are applied at the port of St. Helier, that has always been the case and that has always passed through from the ferry operator, whether it was Condor or now with DFDS, that has always been a chargeable aspect. The second aspect, which is the part that I think people are considering to be more contentious, is the unit charges per trailer that are charged both at Portsmouth International Port and by the Port of St. Helier and they equate to about £68 also on each crossing.

The Minister for Sustainable Economic Development:

On one leg, yes.

Chief Officer, Department for the Economy:

Yes, on one leg of the crossing. That is the part that was previously absorbed by Condor within their freight rate. Now, the very opaque nature of Condor's rate card and their charges does not lead easily to comparison from one era to another era. Secondly, Condor was a crippled business financially, hence them coming to Government still asking for £40 million of taxpayers' support between Jersey and Guernsey just to keep the services running. The fact that Condor was doing something does not (a) make it right and (b) remotely make it affordable. DFDS, when we considered the tenders that have come from all the operators, the rate that they have proposed in their model has been assumed to be the rate that is being charged per lane metre for the freight. In other words, this is what the ferry company is charging for its service, not absorbing charges from elsewhere. In the case of DFDS, what we have expected is that they will pass through any other ancillary charges to the importer. In this case, it will be charged to companies like Woodside Logistics, Ferryspeed, and so on, and it will be up to them the extent to which they then bundle that in with their own charges and onwards to the retailer or the importer at the end of the scale. It is that second charge that DFDS have been much delayed in processing. Therefore, it has come as more of a surprise to retailers and to the importers where previously those were charges being absorbed by Condor but were clearly unaffordable, it was an unsustainable model of Condor absorbing those, and that is the part we are at at the moment. We are working with DFDS around the surprise aspect. We do not believe that any charges should come as a surprise; we do not believe charges should apply in a retrospective sense. DFDS have absorbed those charges up to 31st July. Customers are presently on notice that those charges would be applied through from 1st August. We are talking to DFDS around how that looks between now and the end of 2025 and whether those should indeed pass through or whether some other mechanism might be applied, so that if people are stuck in onward contracts, that those contracts are not unduly upset by the pass-

through of these charges. That is a work in progress; there is not a conclusion to that at the moment in terms of ongoing discussions with the Minister and with DFDS as well.

The Minister for Sustainable Economic Development:

Though, it has to be said that if it is put off further it has be recouped somewhere, so it will be recouped in a charge somewhere.

Chief Officer, Department for the Economy:

Yes.

Deputy K.M. Wilson:

That is a process issue which will be corrected itself. I think the concerns that have been raised by businesses is the financial aspect of that on them. How do you respond to that?

The Minister for Sustainable Economic Development:

Well I was going to say, it is interesting; obviously we all saw an open letter recently which talked about 5.8 per cent increase in freight costs. I think it was being mistakenly put to the public that this was different to the 0.4 per cent increase in the cost of goods on the shelf that we had said was the information we were provided by the Chief Economist at the time. It is really simple, 5.8 per cent of 7 per cent, 7 per cent is the J.C.R.A.'s (Jersey Competition Regulatory Authority) own analysis of how much the distribution of goods costs on the shelves.

[14:45]

When you pay £1 for an item on the shelf, 7 pence of that pound is in the distribution of that item. So, 5.8 per cent, the increase experienced by that company, of 7 per cent, which is the cost of freight and distribution - not just freight but all distribution - comes to 0.4 per cent, which is exactly what the Chief Economist predicted the cost of goods on the shelf would be. It is entirely in line with the expectations.

Deputy K.M. Wilson:

How do you respond to the misperception ...

The Minister for Sustainable Economic Development:

It is entirely in line with expectations. Certainly in that letter, it was a total miscomparison of 2 completely separate units of measurement.

Deputy K.M. Wilson:

Okay.

Deputy M. Tadier:

Minister, the open letter I think that was written by the Chief Executive of Sandpiper also talks about another issue. He says that he did not consult with retailers before taking the course of action - I presume he means in the tender process - and also to adopt a flat rate. I suppose, let us talk about the flat rate card. You told us that the flat rate should be providing more transparency in terms of freight charges. We have seen with this whole retrospective charging for parts of the freight bill ... which is highly unusual to get and it has really impacted a lot of businesses. We have had businesses tell us that they are wondering whether they are going to be able to afford to pay those or whether to pass the charges on, and whether they are going to be able to operate next year.

The Minister for Sustainable Economic Development:

They should be passing on those charges to customers.

Deputy K.M. Wilson:

Yes.

Deputy M. Tadier:

But if they have already billed their customers in advance, they are finding it difficult to justify those charges.

The Minister for Sustainable Economic Development:

This is what I was saying. The charges that were not being charged, DFDS has not backdated them to 1st April, 31st March, it has said it is starting to bill them from 1st August and it is not backdating them. The previous charge, the other charge, the tonnage charge that was in from the beginning of the contract, I know that the very largest operator of freight services had been billing their customers for that charge. They have about 90 per cent or 85 per cent of the market, so 85 per cent of the market had paid for all those charges since the start of the contract anyway. If there are some businesses that are paying that tonnage charge backwards, it may affect those - and I really feel for those - but it is clear to me that the vast majority of businesses had already paid those charges and the other charge DFDS are not backdating.

Deputy M. Tadier:

Well let us talk about the flat rate card because I think you predicated the flat rate card saying that it would be better for everyone to know clearly what the charges were going to be. Essentially a flat rate means that discounts are not allowed to be given for bulk purchases. Does that not mean we are increasing costs for everyone rather than allowing some bigger importers to get discounts?

The Minister for Sustainable Economic Development:

No, what it says is we are treating what is a monopoly route as though it was a bridge, a toll bridge, et cetera. What we are saying is that whether the ferry is running empty or the ferry is running full, it is still costing the same amount to run that ferry. We are not asking the ferry operator to discount against itself because there is no competition to be had here, so there is nowhere it can win business, it is stuck with this level.

Deputy M. Tadier:

But you did not do that for Condor.

The Minister for Sustainable Economic Development:

No, that is one of the mistakes I would say was made in the past.

Deputy M. Tadier:

I am trying to find out where the call came from for that flat rate card because it does not seem that anyone else ... I do not even think the J.C.R.A. have called for a flat rate.

The Minister for Sustainable Economic Development:

No, they called for greater transparency.

Chief Officer, Department for the Economy:

They called for greater transparency of freight rates in previous reports.

Deputy M. Tadier:

But you can have greater transparency without having a flat rate, can you not? You can just say: "Publish your discounts."

Chief Officer, Department for the Economy:

You can, but the freight forwarders, they do not control demand. Demand for freight coming into the Island is the aggregate consumption of Island households, not even Island businesses, because Island businesses are essentially supplying onwards to a customer which is typically you and me, okay? The aggregate demands sits with the household and that is the many. The kind of arrangements that people are talking about benefited the few, so discounts in favour of one single retailer or one single logistics company channel that value into very, very few pairs of hands at that business level.

Deputy M. Tadier:

Why is that a concern of Government?

Chief Officer, Department for the Economy:

Because somebody else has to pay. If you take £56 per lane metre charge from DFDS, that is effectively what they need to charge. If they are bringing in also 600,000 lay metres of freight a year, to make that viable and to deliver a resilient service through the year they need to charge 600,000 lay metres of freight at £56. Let us just follow your argument through. If you started to ladder that out, some would get it cheaper on volume, somebody else would be paying a lot more. At the end of the day all you are doing then is distorting other aspects that are an adjacent part of the supply chain; the end user still ultimately pays somewhere along the line.

The Minister for Sustainable Economic Development:

They will pay the aggregate same amount.

Chief Officer, Department for the Economy:

Yes. Everybody ultimately is going to pay the same amount. That is the point, that the controllers of demand are the households.

Deputy M. Tadier:

But it is not unusual in businesses for a big importer if somebody says: "Look, I am importing 70 per cent of your imports; therefore, I want to get a better price."

Chief Officer, Department for the Economy:

Yes, where there is competition.

Deputy M. Tadier:

Well it is not just where there is competition. I think Jersey Milk, for example, charges different rates to its retail customers than it does to maybe people, so at what point does Government get ...

Chief Officer, Department for the Economy:

Well Jersey Milk does not have retail customers, Jersey Milk charges a sum to the retailers. Your supermarket retailers will buy volume and then there is a charge that they may make to other providers. The point I am making is that in this monopoly service ... and there is other milk available within the Island and there are other drinks available, other types of milk.

Deputy M. Tadier:

Is there other milk?

Chief Officer, Department for the Economy:

Well oat milk, soy milk, there are a lot of products ...

Deputy M. Tadier:

No, that is not real milk.

Chief Officer, Department for the Economy:

But they are not Jersey Dairy milk is the point I am making.

Deputy M. Tadier:

It is not milk.

Chief Officer, Department for the Economy:

There is one ferry ...

The Minister for Sustainable Economic Development:

A variety of milk is available in the Island. It is milk but it is not provided by Jersey Dairy necessarily.

Chief Officer, Department for the Economy:

There is one ferry operator for the Island. There is no economic logic for the ferry operator to discount its own structure in favour of one buying group versus another because it has ...

Deputy M. Tadier:

It does not matter if there is no logic, though. It is up to a business to make its own commercial decisions.

Chief Officer, Department for the Economy:

It does. If there is no logic, why would you do it?

Deputy M. Tadier:

Well if they want to offer a discount, they can offer discounts to foot passengers presumably.

Chief Officer, Department for the Economy:

We are talking about freight, we are not talking about foot passengers.

Deputy M. Tadier:

But I am just wondering to what extent does your government ideology ...

Chief Officer, Department for the Economy:

It is not an ideology.

Deputy M. Tadier:

... to what extent will you apply that across the board and dictate their business models, is what I am asking.

Chief Officer, Department for the Economy:

We have not. We have tendered to the marketplace and the marketplace has ... 3 ferry operators tendered originally in the Channel Island tender; 2 tendered on the Jersey-only routes. They tendered the price structure and they set the price, so the market has set the price. DFDS has set the pricing that the Ministerial team at that time said: "That is the operator overall that we wish to go with" taking account of a wide range of factors.

Deputy M. Tadier:

Minister, what we have had put to us is that - and it is a reasonable presumption - if one of the big importers used to benefit from a discount, they could then pass that discount on to customers.

Chief Officer, Department for the Economy:

Did they?

Deputy M. Tadier:

Now they are not allowed to do that.

The Minister for Sustainable Economic Development:

I was going to say, did they pass it on to customers? Do you have evidence that they did pass it on to customers?

Deputy M. Tadier:

I am asking the question, now they are being charged more, because everyone is just being charged more, they are saying that they cannot pass that discount on to customers and therefore prices will go up.

The Minister for Sustainable Economic Development:

They can pass many discounts on to customers because, again, when you look at goods coming to the Island, 40 per cent of the cost of freight to the Island, only 40 per cent of it is the ferry cost; 60 per cent is the ferry service provider, so Woodside, Ferryspeed. I would love to say there are others but they all went out of business because the previous operator was discounting to such an extent

against the biggest provider that all these other businesses went out of business. Now what we have done ... but there is 60 per cent, okay, of the cost of anything coming across the channel to Jersey: 60 per cent is entirely at the discretion of the freight services operator; 40 per cent, the minority of that price, is not because that is the cost of the ferry and the port dues that ...

Chief Officer, Department for the Economy:

Also the port dues.

The Minister for Sustainable Economic Development:

Also the port dues. So, yes, 35 per cent is ferry; 5 per cent is port dues and so they still have 60 per cent to play with, and that is the bit which has been opened up. That 60 per cent, if I decide to set up a freight services provider today, I can now set my pricing in that 60 per cent area to compete against the ferry services providers. Previously where discounts ... and who knows what discounts because none of us know what discounts were given by Condor to freight services providers. None of us know what discounts were given by Condor to freight services providers. That clearly was building up anti-competitive tensions within the freight services market because we saw many freight services providers go out of business over the last 10 years.

Deputy M. Tadier:

Did you refer it to J.C.R.A.? Because you have a regulator.

Chief Officer, Department for the Economy:

There is a formal investigation of freight market pricing arrangements underway by the J.C.R.A. at the moment; it is matter of public record.

Deputy M. Tadier:

For now but did you refer anything at the time to the J.C.R.A. when you had concerns about Condor's operations?

Chief Officer, Department for the Economy:

Yes, at the time we first had as government some firm evidence, and that firm evidence came from an individual very closely engaged with the operations, that was referred immediately to the J.C.R.A. They determined then that had crossed the threshold for them to start a formal investigation. That formal investigation is ongoing, so we await the outcome of that with interest. Also, we have the amendments coming forward to the Competition Law that will place even greater powers on the J.C.R.A. in terms of market studies, so a step short of formal investigation. We expect those to be used fully and we intend to use those in the first instance around tackling the pricing within the supply chain particularly for essential items.

Deputy M. Tadier:

Thank you.

The Minister for Sustainable Economic Development:

I am really concerned about the previous supply chain. Over the last 20 years we have seen all warehousing leave Jersey in order to create a just-in-time supply chain. We have been told of pressures in our supply chain which potentially lead to safety issues. I am very worried that this just-in-time supply chain that we have in Jersey treats the Island as though it was just an appendix to the M2, and we are just further down the road, so maybe it is the M3. We are not. It is 90 miles of water which can be storm-ridden, that is full of other boating traffic and therefore needs to be crossed safely and with care. I am very concerned that what we have seen over the past 20 years in this move to a just-in-time supply chain is that pressure from various areas of our economy bearing down on to the supply chain and making it certainly less resilient and potentially less safe. I think that might be something that we need to look into.

Deputy K.M. Wilson:

Could you give us an example of that?

The Minister for Sustainable Economic Development:

I do not want to give an example today.

Deputy K.M. Wilson:

It is a pretty powerful statement to make.

The Minister for Sustainable Economic Development:

I said it is my concern, it is not a statement, but the statement is of my concern and something that I think we need to look at.

Deputy M. Tadier:

Thank you. I think you may have some other questions in that area, Deputy Wilson.

Deputy K.M. Wilson:

Yes, thank you. Just coming on to the resilience and the transport links. The Auditor General found that in awarding a 20-year concession agreement, the States are committed to an inclusive provider for a period a third longer than was originally specified. She found no formal documented assessment of the impact benefits and risks of the decision to award a longer concession. Can you

advise the panel why no assessment of the impact benefits and risks of the decision to award a longer concession took place?

Chief Officer, Department for the Economy:

I can because I have recused myself from that process. What I would say, though, is in the C. and A.G.'s (Comptroller and Auditor General) report these are not identified as findings or recommendations. They are remarks that she has made in the report with the documentation that her team had requested at the time. There is a lot more documentation that the Government holds, including requests from those that attended, which I have been able to see retrospectively, having come back into the contract management. We were able to see that and see that the operators, to justify the level of investment that was being sought into the new vessels and so on, a longer duration of contract was required. I would strongly contend, if anything, that Jersey's resilience is enhanced by having a 20-year contract with a solid financial resilient counterparty than it is weakened, so it contests that comment that is made in the report but it certainly is not a finding or a recommendation from the C. and A.G.

The Minister for Sustainable Economic Development:

If I can just quickly say as well around that freight pricing element as far as resilience and transparency going forward, and I did think this was one thing with regard to the open letter, was that I personally believe - and I hope it is not borne out, but only time will tell, 5 years' time or something like this - that with the R.P.I. (Retail Price Index) based limit on increases in freight pricing that chairmen of major retailers in Jersey may in a few years' time turn around and say: "Well this is a much better regime because now we know where the pricing is going every year." Remember, just last year we saw an 18 per cent unexpected increase from Condor in their ferry freight prices out of the blue, no one knew it was coming, 18 per cent. Today, the Chairman of Sandpiper is complaining about a 5.8 per cent increase. Well that is nothing compared to the 18 per cent cost in ferry freight prices that we saw a year ago.

Deputy M. Tadier:

Are there caveats? Could prices ...

The Minister for Sustainable Economic Development:

I just think it is really important that we have that transparency.

Deputy M. Tadier:

Minister, are there caveats to that R.P.I.? Are there conditions which would trigger DFDS being allowed to increase their prices by more than R.P.I.?

The Minister for Sustainable Economic Development:

Absolutely there are.

Deputy M. Tadier:

What are they?

The Minister for Sustainable Economic Development:

But again they can be things such as the returns are not sufficient to enable investment in their services.

[15:00]

Deputy M. Tadier:

How do we know that will not happen? They will just say ...

The Minister for Sustainable Economic Development:

Well because we will be at a ... I am not saying it will not happen, what I am saying is we will know about all these things in advance. Condor, out of the blue, said: "Our prices are going up by 18 per cent." Out of the blue. None of that will be out of the blue in future and none of it, I doubt, will ever be anything like 18 per cent.

Deputy M. Tadier:

Well it remains to be seen.

The Minister for Sustainable Economic Development:

Again, I said at the beginning, only time will tell.

Deputy K.M. Wilson:

Okay, thank you.

The Minister for Sustainable Economic Development:

But I think the chairmen of major retailers will be much happier having an understanding of where freight prices are going and how that affects ... they will be able to hold their freight services providers to account because they will be able to see there has been, let us say, for argument's sake, a 5 per cent increase in the freight price this year; ferry freight price. So: "Ferry freight services provider, why have you put up my bill by 10 per cent?" They will now understand which part, whether their freight services provider is being fair to them or they need to look around. It is absolutely going to improve transparency for those very supermarkets that are complaining today.

Deputy K.M. Wilson:

I think what we are hearing is the experience of whether or not there are benefits to the change in the freight charges ...

The Minister for Sustainable Economic Development:

There are huge benefits to the change.

Deputy K.M. Wilson:

... that are affecting different companies and different traders.

The Minister for Sustainable Economic Development:

We are shining a light on a very obscure and untransparent part of Jersey's economy. We are shining a light on it through this new system and that means everyone will be able to have a much better understanding of where people are profiting, where there is excess profiting. Where there is not, they will be able to move to other competitors. I know that businesses are already shifting their supply chains precisely because of the flat rate charge because it gives them the ability to do that. That does mean that some companies will lose as customers move away from them potentially and that is why people complain, because it is a new regime.

Deputy M. Tadier:

The concern we are hearing, Minister, is that everybody is paying more. It might be fair, but it is fair because everyone is paying more, not just ...

The Minister for Sustainable Economic Development:

I do not believe you are talking to enough people.

Deputy M. Tadier:

That is what we have been told.

Chief Officer, Department for the Economy:

First of all, everyone would have been paying more whether we granted a contract to Condor for this new term or to DFDS because in all of the bids, freight prices were going up, so everyone would have been paying more full stop. What we now have is transparency, because in the offer that has been made by Condor, that lacked the transparency that was sought in freight market pricing. It remained an obscure arrangement, it would have been difficult to police in practice.

Deputy M. Tadier:

I think the reaction of the market in the next coming months will speak for itself more than any government speculation.

The Minister for Sustainable Economic Development:

I think the short-term reaction in the market is one thing. As you know, I am here as the Minister for Sustainable Economic Development, which means long-term economic development, and on this particular question the shouting that happens now is of concern to me, but it is not as important as exactly what happens over the next 20 years. I believe that the transparency they will have in pricing, understanding from one year to the next where the cost of the ferry is going, will help them hold their freight services provider to account and it will help them understand the true cost of bringing goods to this Island.

Deputy M. Tadier:

I know we are limited for time, just hold the thought for now. I think coming back to transparency, one of the issues that we have got comes back to the idea about why we are asking for the concession agreement to be published as it is really difficult to have any meaningful public discourse in this area when the public does not have access to that document to say: what are the figures, what is in front of us, what are the commitments? What are the caveats that will allow this company to increase their prices in future if they do not achieve profitability?

Chief Officer, Department for the Economy:

I think that is true but equally some of those that are making the complaints at the moment are not necessarily transparent about the performance of their own businesses and the profits that they have been making from Jersey for very many years.

Deputy M. Tadier:

I have not finished my question. The question really is, first of all, in the decision-making process, did the Council of Ministers all see the contract? Because we had a situation where the Chief Minister the other week came out saying that he thought it was a disgrace there was not going to be a high-speed ferry service. I think you went to the meeting and said there is no obligation for DFDS to run a high-speed ferry service in the winter. How do you account for those kind of discrepancies? That is the first question. Why would the Chief Minister not know that there is no obligation for a company?

The Minister for Sustainable Economic Development:

Again, you would have to ask the Chief Minister that.

Deputy M. Tadier:

Did he see the contract before it was ...

The Minister for Sustainable Economic Development:

You will have to ask the Chief Minister.

Deputy M. Tadier:

Well, no, I can ask you because you agreed the contract; you signed off the ...

The Minister for Sustainable Economic Development:

I think I have said in this forum before, I will not speak for another Minister. I do not know, you will have to ask him.

Deputy M. Tadier:

I will ask a different question. When the tender was awarded to DFDS, had all of the Ministers seen the concession agreement?

The Minister for Sustainable Economic Development:

No, because it did not exist at that point in time. The decision came before the concession agreement. The decision was made by the Council of Ministers and it was based on all the information that had come in through the tender process. That tender process is what me, and all the other Ministers ... because, again, people will look at me, but this was a Council of Ministers' decision, and I was accompanied throughout this by other Ministers.

Deputy M. Tadier:

The second question is: who saw the concession agreement before it was signed?

The Minister for Sustainable Economic Development:

The only people I know who saw it were officers, myself and the Harbourmaster because the Harbourmaster and myself signed it, but I do not know other Ministers who saw it or not.

Deputy M. Tadier:

When the Chief Minister said: "I was led to understand that DFDS would be running a high-speed vessel during the winter" that might have influenced his decision to support your decision to award it to DFDS.

The Minister for Sustainable Economic Development:

I think it is unlikely that that was said. I do not know. As you said, you were not the officer, but ...

Deputy M. Tadier:

He said that was his understanding.

Chief Officer, Department for the Economy:

No, listen, so what was tendered by all of the operators around scheduling was very clear. There was a stipulation in the requests for the invitations to tender for a certain number of rotations through the winter and the summer and so on, and bidders responded accordingly, and those have been contractualised. Those are all matters, they will be unredacted elements as far as I see it sitting here today, of what is put into the public domain in the concession agreement. But there is no explicit requirement in the contract for high-speed craft sailings over the off-peak season.

Deputy M. Tadier:

That is right.

The Minister for Sustainable Economic Development:

I will come and say there absolutely should not be a requirement for high-speed sailings over the winter season.

Deputy M. Tadier:

But that is not what I am asking because ...

The Minister for Sustainable Economic Development:

No, and I am just saying I want it on the record because if we were to demand high-speed ferry services throughout the winter season ...

Deputy M. Tadier:

Minister, you are answering a question I have not asked.

The Minister for Sustainable Economic Development:

Speaking for myself.

Deputy M. Tadier:

You are answering a question I have not asked and therefore you are taking up time.

The Minister for Sustainable Economic Development:

Well, fair enough.

Deputy M. Tadier:

The point I want to get to is, have either of your Assistant Ministers seen the concession agreement?
Do they have a copy of it?

The Minister for Sustainable Economic Development:

I do not know; I do not think so.

Deputy M. Tadier:

No. Have any of them asked to see the concession agreement?

The Minister for Sustainable Economic Development:

One of them has, yes, recently.

Deputy M. Tadier:

When did she ask? Or he?

The Minister for Sustainable Economic Development:

Oh. She, as it seems, I believe she asked you, Chair, because ...

Deputy M. Tadier:

She asked me to see it?

The Minister for Sustainable Economic Development:

I believe she asked you to see the concession agreement. She asked you before she asked me.

Deputy M. Tadier:

If she asked me I would have said: "I cannot give it to you because it is confidential. Ask your Ministers, ask your officers" which I believe she did. Have you given it to her yet?

The Minister for Sustainable Economic Development:

I do not know ...

Chief Officer, Department for the Economy:

I have not been asked by Deputy Scott; I presume it is Deputy Scott you are referring to.

The Minister for Sustainable Economic Development:

I only have one female Assistant Minister.

Deputy M. Tadier:

Have you been asked, Minister, to give her a copy?

The Minister for Sustainable Economic Development:

Yes, I was, and I ...

Deputy M. Tadier:

Have you given it to her?

The Minister for Sustainable Economic Development:

No, not yet.

Deputy M. Tadier:

Why not?

The Minister for Sustainable Economic Development:

It just has not happened yet. I have not seen ... in fact, Deputy Scott is on holiday at the moment, and so I just have not seen her since then. It was during the middle of a States debate and I have not seen her.

Deputy M. Tadier:

Do you need to see her to give it to her?

The Minister for Sustainable Economic Development:

At the moment, no, but it is something that I think does need to be looked at and handled in the appropriate way. Because Deputy Scott does not have delegated responsibility for ferries and so there is no obligation on me to give Deputy Scott the concession agreement. I said that I will but I think it needs to be in an appropriate manner.

Deputy M. Tadier:

The point I am trying to get to is that it seems to me you have got 2 very capable Assistant Ministers, one of whom has got a vast amount of experience in ...

The Minister for Sustainable Economic Development:

I have 3 very capable Assistant Ministers.

Deputy M. Tadier:

I am missing one. Who is the other one?

The Minister for Sustainable Economic Development:

I do not know who you are thinking about so ...

Deputy M. Tadier:

Anyway, in Constable Jehan you have got somebody with an amount of logistics ...

The Minister for Sustainable Economic Development:

Deputy Ferey, Deputy Scott, Constable Jehan.

Deputy M. Tadier:

Yes, thank you. The question I have got is: what safeguards have you taken around group think in a sense that have you been involving wider political discussions from other Members of the Council of Ministers and your Assistant Ministers when coming to agreements around the ferry service and how to deal with some of the backlash that you have been getting around it?

The Minister for Sustainable Economic Development:

The backlash is by people trying to protect their previously well-protected situations, okay? I was just trying to say previously, as far as the ferry tender was concerned, at no point was I ever on my own making this decision. The whole process was a Council of Ministers' vote. Throughout the situation I was supported by Deputy Gorst, Deputy Millar and Deputy Luce, and the Chief Minister when he came in, and a whole suite of officers, both Government of Jersey officers, Ports of Jersey officers and consulting body KPMG, and law firm DWF and Law Officers. At no point in this process was there ever just me. I do think it needs to be more widely remembered that it was not just me. I may sign the bottom line when it comes to the contract but this was a Council of Ministers' decision and this was a wide group of Ministers involved from the beginning.

Deputy M. Tadier:

To award it to DFDS, that was a joint decision, but the concession agreement is solely your work and done in-house, is that correct?

The Minister for Sustainable Economic Development:

No, it is the Law Officers, the law firm, it was the Ports of Jersey and it was myself. I had to sign it at the end of the day.

Deputy M. Tadier:

From a Ministerial point of view, there was no other Ministerial input, not even from your Assistant Ministers?

The Minister for Sustainable Economic Development:

No, because the Assistant Ministers were not there. This was over a Christmas period as well. I believe some Assistant Ministers were on holiday at the time.

Deputy M. Tadier:

So you can say the success of the concession agreement will be purely down to you whether it succeeds or fails?

The Minister for Sustainable Economic Development:

No, absolutely not. Absolutely not.

Chief Officer, Department for the Economy:

The concession agreement contractualises the winning tendered bid, that is all it does. It puts a document provided by a ferry operator into a legally-binding document of all parties.

Deputy M. Tadier:

Yes, but it is the detail, is it not? It is the detail.

Chief Officer, Department for the Economy:

But it is contractualising the tender documents themselves. So, the schedules that were committed to, the vessels, the level of investment and all the major elements that were tendered, are contractualised. That is put together under legal advice. Yes, there is one signatory at the bottom of it from the Government ...

The Minister for Sustainable Economic Development:

No, there are 2 signatories.

Chief Officer, Department for the Economy:

There is one from the Harbourmaster, because the Harbourmaster grants the ramp permit, and there is one from the operator as the counterparty to the contract.

Deputy M. Tadier:

Okay, now let us get this clear.

The Minister for Sustainable Economic Development:

So it is absolutely not ... it is again a team of legal advisers, a team from Ports of Jersey advisers, and the team ...

Deputy M. Tadier:

Well, of course, but what I am saying is ...

The Minister for Sustainable Economic Development:

So you are never on your own in any of this.

Deputy M. Tadier:

They are not up for election, are they, Minister? You are the point of contact.

The Minister for Sustainable Economic Development:

Yes, absolutely.

Deputy M. Tadier:

You are the one who shoulders the responsibility.

The Minister for Sustainable Economic Development:

I am the Minister who makes strong decisions for Jersey in the interests of Jersey, that protect Jersey.

Deputy M. Tadier:

But you shoulder the responsibility for it politically.

The Minister for Sustainable Economic Development:

As you see, I keep coming back to answer the same questions repeatedly.

Deputy M. Tadier:

Well, yes. Just on that, so you do accept that you are the sole political lead for this?

The Minister for Sustainable Economic Development:

No, I think the Council of Ministers are. We agreed this as the Council of Ministers. I was supported throughout the process by a team of Ministers; 4 Ministers. So, no, this is not just on me, this is the whole lot. But what I will say is I believe that we have a much better situation with regard to freight - because that is where we started on - than we have had in any period in my lifetime.

Deputy M. Tadier:

Okay. Any questions? Deputy Wilson.

Deputy K.M. Wilson:

I suppose the question is: there has been a lot of talk about transparency and it does concern the panel that the concession agreement has not been shared and for that to be an issue. One of the things that we would seek is whether or not there would be any barriers to sharing that agreement so that your Ministerial team was fully informed, given that you have just said this is a shared responsibility.

The Minister for Sustainable Economic Development:

I think we need to understand about conflicts of interests, first of all.

Deputy K.M. Wilson:

So you believe there is a reason for not doing it as well?

The Minister for Sustainable Economic Development:

No, that is not what I am saying, but I think it is up to me as Minister as to which of my Assistant Ministers or otherwise I share something with. That is not, I believe, from our perspective ... I think from a transparency perspective - Jersey has forgotten this - you are the Scrutiny Panel, it was shared with you, unredacted, straight away. That is the function of Scrutiny, that is the job you are meant to do.

Deputy M. Tadier:

Yes, after it had been ...

The Minister for Sustainable Economic Development:

I do ...

Deputy M. Tadier:

Minister, can I just clarify, after it had been agreed? So we did not see it before it was agreed.

The Minister for Sustainable Economic Development:

Because you cannot work in that situation.

Deputy M. Tadier:

No, but just to clarify. So any scrutiny we are doing ...

The Minister for Sustainable Economic Development:

I think Jersey ...

Deputy M. Tadier:

Any scrutiny we are doing can only be done retrospectively.

The Minister for Sustainable Economic Development:

As such, correct. Yes.

Deputy M. Tadier:

Do you accept it is difficult for us to ask questions of you in a public forum when the document is not in the public domain?

The Minister for Sustainable Economic Development:

I accept. But I have the same situation and that is just what happens because we are working about inward investment in Jersey.

Deputy M. Tadier:

Yes.

The Minister for Sustainable Economic Development:

We are trying to make sure that Jersey is a functioning economy able to work and that means that not everything can be played out in public. I do sit here and say - because I have to say - obviously my decision is being compared with Guernsey's decision time and time again. Guernsey has not shown its agreement with Brittany Ferries once to anybody. Guernsey is not even calling for it, okay? There is part of the backdrop in this where I sit there and I say: "That is fine, you open me up and what I have done and what I have not done" but I notice that none of this is happening in Guernsey at all where the incumbent, who effectively maintained their service, is able to carry on with an agreement that took place in secrecy; a situation that is in secrecy. We are not like that ...

Deputy K.M. Wilson:

But this is the strength of you being able to respond in a transparent way, is it not, through our line of questions?

The Minister for Sustainable Economic Development:

... but it does make it quite difficult because I seem to be the one person who has to answer for this.

Deputy K.M. Wilson:

But that is what I am saying.

Deputy M. Tadier:

But we cannot ...

The Minister for Sustainable Economic Development:

I know we cannot talk about Guernsey but what I am trying to say is it does make it difficult for this side to sit and say: "Okay, so we are showing everything." If I was not being compared, then it would not matter, but I am being constantly compared to Guernsey, and yet Guernsey is showing nothing. Guernsey, as you know today, you know nothing about Guernsey's agreement; you know nothing about the situation with regards to their freight pricing. You know nothing with regard to their ramp permits; you know nothing because Guernsey knows nothing about it. In Jersey it is a very different situation.

Chief Officer, Department for the Economy:

I would add to that, though, you are also just looking at a single contract for one operator. You have no idea of what the other tenders had. You have a limited idea of all of the back story that went through with the process of the very crippled situation that Condor was in and the way Government had to respond to that, but also the work that was done much further back around alternative models to deliver the freight services of Jersey.

[15:15]

Deputy K.M. Wilson:

That is what we have been trying to do through our scrutiny, is to try ...

Chief Officer, Department for the Economy:

Well we have not been asked for any of that previous work and it dates back 3 or 4 years.

Deputy K.M. Wilson:

With respect, Richard, we have asked a lot of questions around what has led us up to this situation. The point that I would just like to finish on is, I welcome your explanation as to the reasons why you have made decisions; in a sense that is transparency.

The Minister for Sustainable Economic Development:

It is absolute transparency.

Deputy K.M. Wilson:

Well, just let me finish.

The Minister for Sustainable Economic Development:

Because you are not getting any transparency from anyone else.

Deputy K.M. Wilson:

Just let me finish. So please do not see it as an attack, it is just an attempt to provide the public with some clarity as to the position that you would wish to defend but also the questions and the line of questions that we would like to take in order to get greater transparency and greater explanation. I think we have just had ...

The Minister for Sustainable Economic Development:

It is just difficult when the comparisons are all made to Guernsey and they show nothing.

Deputy K.M. Wilson:

We are not comparing it, we are literally focusing on the situation as it is in Jersey. You are quite right, in a sense, our focus is about this contract and it is about the impact on the economy for Jersey. That is what we are trying to do, is to try and get to the detail, trying to get down and drill into it in order to respond to some of the concerns that we still hear about it. That is why it is difficult - I think it is difficult on both sides - but we are doing our job which is trying to get the detail and we are trying to get the explanation and ...

The Minister for Sustainable Economic Development:

You have the detail as the Scrutiny Panel; that is also your job.

Deputy K.M. Wilson:

We now have it.

The Minister for Sustainable Economic Development:

Your job is to say: "We have read this and we understand it."

Deputy K.M. Wilson:

We know what our job is. We know.

Deputy M. Tadier:

Can we try and keep ...

The Minister for Sustainable Economic Development:

Can I just quickly say, I need to correct something, because it was being made with regard to Assistant Ministers. Before the Assistant Minister in question asked you for the contract, I do not recall ever being asked for the concession agreement. The first request that I recall - and I may be mistaken - was to you and not to me.

Deputy M. Tadier:

I am not going to disclose private correspondence but what I will say is if any of your Assistant Ministers had asked me to see the contract or what was in the contract, I would have said: "I cannot give that to you, you can ask your own officers."

The Minister for Sustainable Economic Development:

I appreciate that. I do not recall being asked by any of my Assistant Ministers to see the concession agreement.

Deputy M. Tadier:

Okay, so you might want to check that.

The Minister for Sustainable Economic Development:

Maybe I have but I just do not recall it.

Deputy M. Tadier:

Because I understand that you have had a request - and it may have come in 2 weeks ago - but that is a matter for you, Minister. Obviously what you share with your Assistant Ministers is up to you.

The Minister for Sustainable Economic Development:

But that is what I was saying, my understanding was during the States debate, but we have also got to understand family situations with regard to people working in supply chains and things like that.

Deputy M. Tadier:

I am happy to tell you what is in the public domain - and you can confirm whether you understand this - is that at a St. Brelade meeting, which one of the journalists present was also at, there was a suggestion that I had the concession agreement.

The Minister for Sustainable Economic Development:

She is correct.

Deputy M. Tadier:

But she did not have it because she was an Assistant Minister. I made the point that, as an Assistant Minister, she could ask to see it as well.

The Minister for Sustainable Economic Development:

Yes, well, it is not a delegated area so it is not compulsory.

Deputy M. Tadier:

That all happened in the public domain and I understand that subsequently she has asked you to see it.

The Minister for Sustainable Economic Development:

Standing at the top of the stairs during a States debate.

Deputy M. Tadier:

Thank you. Minister, I think we are at the end of our hearing, so can I thank yourself and your officers for coming in?

The Minister for Sustainable Economic Development:

Absolutely.

Deputy M. Tadier:

We look forward to seeing yourself in the States next week. Thank you.

The Minister for Sustainable Economic Development:

Cheers. Thank you.

Deputy K.M. Wilson:

Thank you.

[15:18]