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Economic and International Affairs Scrutiny Panel

Ferry Service: Concession Agreement Review

Witness: DFDS

Monday, 15th December 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:

Mr. C. Parker - Route Director, DFDS Jersey

Ms. L. Ashworth - Passenger Performance Manager, DFDS Jersey

[11:04]

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

Thank you. Mr. Parker and Ms. Ashworth, thank you for coming in today to talk to us. I am going to introduce ourselves from this side of the table. I am Deputy Montfort Tadier. I chair the Economic and International Affairs Scrutiny Panel. The purpose of this hearing is because we are doing a review into the ferry service, effectively into the contract. We think it is a timely point at which to be doing a review just because this is the beginning point and we hope it is not going to be particularly intrusive. We wish to add value, really, to the service that you are providing but the political process, too. There are lots of questions that the public have been asking probably you directly but us as constituency representatives. So that is just some context as to the review. You have seen the terms of reference, I think, anyway. I will just introduce my Vice-Chair.

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

Deputy M.B. Andrews of St. Helier North:
My name is Deputy Max Andrews. I am a panel member.

Deputy M. Tadier:
Can you just introduce yourselves for the record, please?

Route Director, DFDS Jersey:
Yes. I am Chris Parker. I am the Route Director for DFDS Jersey.

Passenger Performance Manager, DFDS Jersey:
Louise Ashworth, Passenger Performance Manager, DFDS Jersey.

Deputy M. Tadier:
Thank you. Thanks again for coming in to talk to us. We have quite a lot of questions but some of them may fall away. I am sure it is an opportunity for you to answer as you wish as well. The first question really I suppose is an opportunity for you just to set out some of your experience of setting up on the Jersey route. So, DFDS has been operating the ferry service in Jersey since March 2025. Could you provide the panel with your assessment of how the first 9 months of operations have progressed from your perspective?

Route Director, DFDS Jersey:
Yes, absolutely. I guess I would perhaps widen it to the first 12 months of DFDS being in Jersey. Obviously we originally bid for the 2-Island tender, which fell away when Guernsey made their choice. We then were invited to resubmit for the single Island tender, which we looked at and believed that was a viable proposition. So really starting in January we obviously had 3 months to get up and running. We recruited a lot of employees from the previous incumbent. Obviously we put together the fleet that we had set out in the tender and we brought that into service. I think the first few weeks were challenging. We obviously had some issues in terms of getting those vessels in place. What I would say is the contingency that we put in also kicked in effectively from day one. That was not really what we intended but we obviously brought in Côte d'Albâtre to cover while we were down vessels and we configured the schedules to ensure that we still had a service. So I think it is fair to say the first few weeks were difficult and obviously getting staff trained and into the DFDS systems, that took some time. I think as we progressed through the summer we saw a moving into business as usual, and working with partners including freight forwarders, stevedores and ports we

were able to get the operation running in the way that we would expect. So I think it has been an iterative process where we have seen improvement as we go through those first 9 months.

Deputy M. Tadier:
Thank you. Just for the record could you clarify what ships you have running to and from Jersey and whether you lease them and, if possible, who you lease them from, but if you are not able to say all of that, that is also ...

Route Director, DFDS Jersey:
Yes, of course. So in terms of conventional vessels we have the R.O.R.O. (roll on roll off), which is Caesarea Trader, which is owned by DFDS. That services mostly Portsmouth-Jersey but with a run down to St. Malo once a week on a Saturday. We have Stena Vinga. That vessel is chartered from Stena Vinga with a Stena crew. Again, that vessel services Portsmouth to Jersey. Then we have 2 fast craft, both owned by DFDS. We have Tarifa Jet, which runs the route between St. Malo and Jersey, and Levante Jet, which runs the route between Poole and Jersey. At the moment Tarifa Jet is on dry dock and Levante Jet is performing the services for St. Malo until the end of the year.

Deputy M. Tadier:
In terms of the employment law that the staff are employed under on those vessels, does that come under European law or is it U.K. (United Kingdom) law or is it Channel Islands or does it depend?

Route Director, DFDS Jersey:
They are U.K.-flagged vessels so they would come under U.K. law.

Deputy M. Tadier:
The Stena Vinga is Swedish at the moment?

Route Director, DFDS Jersey:
It is Swedish, that is right.

Deputy M. Tadier:
I have been trying to brush up my Swedish when I have been on there. They are very helpful, the staff.

Route Director, DFDS Jersey:
They certainly would appreciate people speaking Swedish to them, I am sure, absolutely, yes.

Deputy M. Tadier:

Thank you. Could you share your ... sorry, so you think it has been a steep learning curve. I wanted to ask about the first 3 months. That is a very quick lead-in period, obviously not ideal. The Government initially asked Condor or Brittany Ferries after they had not won the contract whether they would be willing to stick around for a few more months. Did they consult you about that, the Government, when they put that ...?

Route Director, DFDS Jersey:
When they were going to ask ... no, they did not consult us before they asked Condor whether they would continue, no.

Deputy M. Tadier:
Would that have been helpful? So you had won the contract and then would ...?

Route Director, DFDS Jersey:
I mean, I do not know, to be honest with you. I think irrespective of the time allotted we would still have had to solve the same problems. I think we got up and running in the 3-month period. We had some particular issues with the vessels, which could have happened at any time, in terms of bringing them into service, but we had contingency to cover that. So I would say, of course - anybody would say - the more time the better, but in practice 3 months we felt was a tough challenge and it took a lot of resource out of DFDS globally, not just in Jersey, but it was something which DFDS swung behind to deliver.

Deputy M. Tadier:
I think we were going to get on to this later but we may as well ask it now. We are not specifically focusing on the tender process but I think it is difficult to get away from it completely. Given the fact you had a reduced time to start operating but also the fact that the model that you were operating was different from the original tender process that you were bidding for, so it was a 2-Island bid, what impact has that had on your operational viability, would you say, even in the number of boats that you need to run or the profitability of it?

Route Director, DFDS Jersey:
Well, I think in terms of the vessels it did not make an awful lot of difference. We knew which vessels we would be looking to bring in as start-up vessels. I think operationally or certainly commercially clearly having a longer window would have been beneficial, not just for DFDS but for the Island and for customers in general. So we were, from that perspective at least, playing catch-up. Obviously we went live as soon as we could. So the contract was signed at the beginning of January; we were live for bookings at the end of January. But clearly we are and we have been on sale for 2026 since

1st October. It would have been wonderful to be open for 2025 as early as that, but that is not what came out of the overall tender process, of course.

Deputy K.M. Wilson:

Could I ask you what impact it also had on your relationship with port authorities in terms of being able to get the appropriate scheduling for when the boats were able to dock?

Route Director, DFDS Jersey:

Well, again, I think we moved very quickly to talk to all 4 ports and they were all very helpful. They were looking to see what they could do for us. I think particularly in St. Malo where there was contention around berths and slot times, for example, St. Malo brought one berth out of abeyance to enable us to get services in place for this year. That was never part of their original intention. It has now been taken away again because it is part of their overall port development plan, but that is illustrative of the fact that they were trying to find solutions for us. So it just meant that we had to work more quickly, I guess, but in terms of access to ports and discussions with ports, those continued very quickly and they were all looking to ensure that we get the services up and running as soon as we could.

Deputy K.M. Wilson:

Did that mean that you had to alter your schedules that you were offering to passengers at all?

Route Director, DFDS Jersey:

Sorry?

Deputy K.M. Wilson:

Did that mean that you were having to alter your scheduling to passengers, the original scheduling that you had put together?

Route Director, DFDS Jersey:

Yes, but the original schedules, we were expecting once we got in discussions with ports and also with customers that we would make changes to those schedules, and that is exactly what happened. But again, to give the example of St. Malo, ordinarily that is a discussion each year in terms of which operator gets which slots. Because we were slightly later, those slots had already been allocated for the year. Therefore, we were working around the other operator. Not impossible, and that is another reason why that second berth came into play, to give us some flexibility, but it was just the nature of, okay, we need to work out how we can ensure that the schedules work, that we comply with tidal restrictions but also the access to space that is available.

[11:15]

Deputy M.B. Andrews:

Thank you both for attending today. We greatly appreciate it. I just wanted to ask you when Jersey and Guernsey went their separate ways and Jersey was then left to decide on who it would select, did you then approach the concession agreement differently compared to your original plan that was for a potential tender process with both Jersey and Guernsey?

Route Director, DFDS Jersey:

I think that the only real change there was around the schedules because clearly then we were looking at schedules serving one Island rather than 2. In terms of the fleet that we were to deploy, that did not change. So we had a relatively short amount of time, as did the other operator, to put that tender process in. We based it very firmly on the first tender without changing it too much because we wanted to get that turned around.

Deputy M.B. Andrews:

During that stage of negotiation with the Government of Jersey, did the Government set out any items within the concession agreement that it wanted and, if so, what were those particular items that the Government wanted in the concession agreement?

Route Director, DFDS Jersey:

Well, I will be honest, I was not part of all of those discussions. I came in quite late so I cannot give you the detail of what was in all those discussions, I am afraid.

Deputy M.B. Andrews:

In terms of your experience, the concession agreement that has been signed, is that quite similar to what you would usually expect in other areas of business that DFDS is involved in or is it maybe unique in some respects?

Route Director, DFDS Jersey:

Well, it is unique in the sense of these are lifeline services so it is a little different to arrangements that we have elsewhere, but it is not wildly beyond what we have in other route clusters.

Deputy M.B. Andrews:

Obviously, since you have signed the concession agreement have you and the Government maybe realised that there are maybe areas that need to potentially be refined and, if so, what are those particular areas of the agreement?

Route Director, DFDS Jersey:

Yes, absolutely. There is a framework within the concession agreement for monitoring and for Government to ensure that we are meeting the requirements of the agreement. We will continue to have discussions, I am sure, about future tonnage, for example, which fuels we will be using. That sort of thing is very much of a piece with it. In terms of commercial activity, we go beyond the minimum service requirement quite considerably. That was always expected to be the case. Commercially, we wanted to talk with Islanders, talk with business, around what schedules work for them. So that is everybody from retailers and freight forwarders and exporters to inbound tourism but also Islanders themselves. So there was quite a number of constituencies that we had to touch base with in those first 3 months. Of course, it is impossible to provide a service which gives everybody everything that they want. To a degree, it is a compromise to be able to deliver something which is viable but also meets those needs. So yes, when it came to things like schedules, those are things which we have also told the Government.

Deputy M.B. Andrews:

Yes. Thank you.

Deputy M. Tadier:

Can I just go back to the differences between what you might have had in the contract for a 2-Island service versus the one? So one of the changes was also presumably the length of contract. The concession agreement went from 15 to 20 years. Is that correct?

Route Director, DFDS Jersey:

So I understand, Deputy Tadier, but again I was not part of that discussion. My understanding is that that longer contract gives more surety for both sides in terms of that reinvestment in fleet which is required over the period.

Deputy M. Tadier:

Sure, but is it your feeling that the profitability of the route is affected by just serving one Island? Is that part of the reason you imagine that the 20 years was asked for instead of 15?

Route Director, DFDS Jersey:

No, I do not think so. Again, this is not coming out of the discussions because I was not there, but my take on it is that no, it was separate to that. It was very specifically around the need to invest in new vessels. Those discussions, the previous tender stopped before we were able to, if you like, finish it, so I am sure those discussions would have taken place as well. Whether that would have been agreed or not would have been ... I do not know.

Deputy M. Tadier:

Do you think the overall pricing has been affected by just serving one Island? Would you have been able to offer cheaper prices if it was a 2-Island offer?

Route Director, DFDS Jersey:

I do not think it makes a difference. I think again when it comes to pricing it needs to be competitive, it needs to be sustainable, and I do not think there was a significant difference, if any, between tender 1 and tender 2 when it came to that.

Deputy M. Tadier:

Okay.

Deputy K.M. Wilson:

Would the change in the concession agreement and the new tendering exercise have affected your start-up costs at all? Could you tell us to what degree they would have done so if they have?

Route Director, DFDS Jersey:

Well, the bulk of the start-up costs were around the acquisition of vessels and then, of course, it is the usual marketing costs, systems costs and so on. Again, there may have been some economies of scale but not significant, I do not think, in terms of serving 2 rather than one.

Deputy K.M. Wilson:

So this is not an unusual cost to setting up an operation of this scale and size?

Route Director, DFDS Jersey:

No. Clearly, it is a significant investment from any operator to bring in. It is effectively capital investment in terms of the vessels that are being operated. So that is the most significant cost. Beyond that it is around recruitment. It is around acquiring officers. It is around those usual start-up costs that any business would have if they were to come into the Island. But significantly from the ferry operator point of view, of course, yes, it is about tonnage.

Deputy M. Tadier:

Were you able to transfer many staff who were previously employed in Jersey in the ferry industry?

Route Director, DFDS Jersey:

Yes. I think we have over 100 staff who were previously employed in the ferry industry, some of them based on vessels, most based in St. Helier and in Portsmouth, which was also very much our intent. It is a small sector, if you like, in terms of experience. There is not a lot of people out there

with experience of running ferry services and doing things like ferry operations, freight operations and freight checking and so on. We needed to retain that experience and competence within the sector, let alone within DFDS. So I was very pleased that we were able to retain a lot of those people. We had a contingency plan in terms of our existing staff within DFDS in other locations and a lot of those staff did come to Jersey to do training but also to support the staff as we got up and running, and indeed they are continuing to do that. So it is very much a case of we wanted to have those staff with existing competencies and experience and then we train them in how DFDS do things, because there are always slight differences between operators.

Deputy M. Tadier:

Just one last thing. Is it normal for maximum passenger fares and caps to be in place in the contracts elsewhere where you operate? Is that standard?

Route Director, DFDS Jersey:

Again, I think, to be honest, it is quite different in terms of this being a lifeline service. Elsewhere when it comes to our ferry services, they tend to be in a more competitive environment and, therefore, there is control from that perspective. So I fully understand why from a Government perspective there is that desire to put guardrails, effectively, on pricing and protect consumers. I think it also helps DFDS because it helps us in terms of determining our business case. We know where we can go and where we cannot go, so in many ways I think it is a positive step. Based upon the fact that we have a regulated monopoly, in effect, there would need to be some controls.

Deputy K.M. Wilson:

Mr. Parker, you mentioned the deployment of vessels to meet the short-term time period when you had to mobilise and the effect that that had on your global operations. Could you just explain to us what additional costs that brought to the agreement with Jersey?

Route Director, DFDS Jersey:

Well, some of those costs would already have been assumed to have come into play. When we set up a new route, it is never just the local team which creates that new route cluster and vessels, it is a global activity. So we have a global for local structure within DFDS, which means to say a lot of the functions are centralised within the group, which would be anything from crewing to I.T. (information technology) to finance to marketing, for example. All of those are centralised and then each individual route cluster is run as a local business which can pull into those resources. So that is precisely what happened. In terms of cost, it was more around the fact that we had to delay other projects elsewhere within DFDS. So some of the projects which were on the slate for early 2025 in other parts of the business had to be delayed because staff were basically reconfigured to focus on getting Jersey up and running.

Deputy K.M. Wilson:

Is that an indication that the contract with Jersey is of more value to some of those other projects?

Route Director, DFDS Jersey:

It is always about priority, is it not? I think the priority that we knew that we had with getting Jersey up and running is there was not going to be a second bite of the cherry. We had to be ready and we had to get it up and running. So that first service, which was on 27th March for arrival on 28th March, which was officially the first day of the contract, we had to be ready for that. So in that instance then I guess there is a deadline which cannot be pushed back, whereas with other projects it can be possible to do that. But yes, of course, it did delay some of the work that was going on elsewhere.

Deputy M. Tadier:

We have some questions about service levels now, if that is okay. The feedback we have had is that for day trips for people who are often visiting France, for example, there is currently some issues around the times of departures and returns, which makes it difficult, effectively, either for day trips or for Jersey to France travel for arrival times. Have you got any comments on that issue, and especially are there any plans to improve the sailing schedules to make them more convenient for Jersey people?

Route Director, DFDS Jersey:

Yes. In terms of the current schedule in 2025, as I say to a degree we were constrained by access to berths and particularly at departure times, which did not help I think when it comes to setting up a schedule which gave sufficient time to have a day trip. We have worked on that schedule through the year with ports and with the vessels with an aim to try to stretch the length that we are in St. Malo for as long as possible. I think the other small impediment that we had was arriving on P2, the temporary berth, if you like. It just takes longer to load and discharge on that berth. That is now an historic problem because it is no longer there, but it was certainly there for this year. So I think in terms of what we have done around that, as I say we have tried to stretch where we can and we issued a calendar of: "These are where day trips are and these are the days on which you can go for 5 hours, 6 hours, 7 hours." We will do the same for 2026 but we are still in discussion with ports, particularly in St. Malo, around the confliction of that single berth. The schedule that we have put forward does give longer in general in France, but we need to get that deconflicted. So until we have that completed we cannot say with certainty that there will be an improvement, but we certainly are putting that forward.

Deputy M. Tadier:

Clarify what deconfliction is, just for the listening public.

Route Director, DFDS Jersey:
Yes. So in St. Malo there is now a single berth and that means that Brittany Ferries Guernsey, the Brittany Ferries St. Malo-Portsmouth service and DFDS service to Jersey are all using that single berth. Clearly, there needs to be sufficient time for each operator to come in, load, discharge and then a ...

Deputy M. Tadier:
Is that for all vessels, so whether it is the freight or passengers coming in?

Route Director, DFDS Jersey:
Yes, exactly. So it is a complex equation which Port of St. Malo are currently looking into. They are obviously consulting with ...

Deputy M. Tadier:
Surely that would make it less likely to get any meaningful day trips or travel or is that not going to complicate it compared to this year when there were 2 berths?

Route Director, DFDS Jersey:
Well, I think the difference is for 2026 we are starting ... we are all at the same point on the starting line, whereas for 2025 clearly we were coming into it later and, therefore, decisions had already been taken.

Deputy M. Tadier:
A question we are often asked from the sceptical Jersey public is are the French going to give preference to Brittany Ferries over ... which is one of their own national companies rather than a ...?

[11:30]

Route Director, DFDS Jersey:
I think the answer to that is any port is a commercial enterprise and I think it is fair to say that there is an understanding within the region as well that Jersey is still ... two-thirds of the traffic from the Channel Islands is coming through St. Malo either from Jersey or going to Jersey. We are a significant source of income and a significant source of tourism for St. Malo in particular, so there is a recognition of that. It is a tricky task that the port has to do here and we are waiting to see what they ...

Deputy M. Tadier:

But you have not seen evidence of that up to now of any foul play, so to speak?

Route Director, DFDS Jersey:

No. I think in the end it comes back to the ports are the ultimate authority. They will make the decision. They are making that decision with a view to both the best public good and the best commercial result. So I do not feel that we are somehow treated any differently to any other operator there.

Deputy M.B. Andrews:

In your discussions with the officials in St. Malo, have they actually come up with any suggestions in terms of how they can overcome some of the obstacles that are currently in the way?

Route Director, DFDS Jersey:

I think at the moment because those discussions are going on and they are rather commercially sensitive and we are hoping that it will come to a conclusion fairly soon, I do not think it would be appropriate for me to sort of give any more on that, I am afraid.

Deputy M.B. Andrews:

No. Okay. That is fine.

Deputy M. Tadier:

Can I ask about the length of time it takes to get from Jersey to St. Malo? We were told that it takes 30 minutes longer on average. Are there any plans to work on that length of time? What is it linked to?

Route Director, DFDS Jersey:

Well, I think there are a few things there. Certainly, for this year it was partly down to getting up and running and having surety around the schedules that we published that we would be able to achieve that. I think in general we have reduced the crossing time very slightly for next year. I think it is an hour 55 rather than 2 on average. I think it is one of those where we will continue to review and ...

Deputy M. Tadier:

What is the reason for the extra time? Because Jersey people historically have got used to an hour 10, an hour 15, an hour 30 maximum.

Route Director, DFDS Jersey:

I think there is a balance to be struck between speed and environmental impact. If you look at the ferry industry in general, the crossing times have slowed down considerably since I started in the 1990s. It used to be an hour 15 minutes to go from Dover to Calais; it is not that anymore. It used to be 2 hours from Dover to Dunkirk; it is not that anymore. It is slower. There are environmental costs. There is also fuel costs.

Deputy M. Tadier:

Is that the overriding reason or are there technical reasons for running slower? Is it to do with the engines?

Route Director, DFDS Jersey:

Obviously, in terms of running a vessel you do not necessarily want to be running it at full speed all the time because that is not good for it, but I would say we have the capability and there have been crossings this year where we have run it in an hour and 30. We can do that. For us, as I say, it is a balance because those increased costs and that increased speed ultimately goes back into the equation of what are we actually having to charge to customers. Because higher fuel costs means higher costs in tickets, so it is a balance to be struck.

Deputy K.M. Wilson:

Were those particular issues part of the discussions around the concession agreement, do you know?

Route Director, DFDS Jersey:

Sorry?

Deputy K.M. Wilson:

Were those particular elements part of the concession agreement in terms of speed of journey and cost of journey?

Route Director, DFDS Jersey:

I do not believe that they were set out in that way, no. Clearly, there is an expectation that there is a high-speed service to St. Malo and there is. There was not a direct commitment, I think. I would have to double check on that. There is certainly a view to be close to or get closer to that 90 minutes, and ultimately as we look at new tonnage, for example, that might be something that we revisit. A newer vessel which is more efficient might be able to do things faster without environmental impact.

Deputy M. Tadier:

What speed would you run a boat from Jersey to St. Malo normally? What is the average?

Route Director, DFDS Jersey:

It varies but it could be anything from 28 knots to 40 knots. It depends on the tidal situation and waves and so on. So each crossing will be its own thing. I think with Tarifa Jet we have been around 28, but there has been times when we have been less, times we have been slightly more.

Deputy M. Tadier:

How does that compare to the northern route for the fast ferry?

Route Director, DFDS Jersey:

It would be pretty much consistent.

Deputy M. Tadier:

Okay.

Deputy K.M. Wilson:

Can I just ask one more question on that, please? So what you are saying is that the slower the boat, the more cost effective it is? Is that correct?

Route Director, DFDS Jersey:

I will be completely candid here. There are engineers within DFDS who have a far better understanding of this than I do, but there is a curve. At some point if you increase speed you are then increasing fuel cost beyond a linear progression. Equally, if you go too slow you are not going to get the benefits.

Deputy M. Tadier:

Is there a trade-off in the sense that ... people have questioned as to whether that is the underlying reason. People have come to us and said DFDS's boats are old; they cannot run at full speed; it is going to damage the engines; they are running on 3 engines rather than 4. Is any of that true?

Route Director, DFDS Jersey:

We certainly want to run the vessels in a way where it is sustainable, that we do not risk issues with engines. We did have some issues with engines towards the end of the summer where we lost an engine and that had to be fixed, but that has been done. Tarifa Jet is away at the moment for the dry-docking period, so the annual refit as it were, M.o.T. (Ministry of Transport), and I know that engines are one of the areas of focus.

Deputy M. Tadier:

Is there a risk that if the boats are too slow to St. Malo, especially the day trip market might get put off, so you might lose custom? An hour and a half versus 2 hours, that is an hour extra in St. Malo for people.

Route Director, DFDS Jersey:

I think there is a number of factors which influence how quickly we get people from St. Helier to St. Malo. The speed of the vessel is clearly one. The other is how quickly we can discharge when we arrive in St. Malo. As I say, this year we had particular issues with P2, which actually meant quite slow discharge, which obviously then ate into the time that people had in St. Malo. So our aim is to try to stretch that time and that is what we have put forward in the schedules that we have put in for next year. Where we can improve that loading and unloading, that is also something which will help that particular problem.

Deputy M. Tadier:

Thank you.

Deputy K.M. Wilson:

You mentioned earlier on in relation to the time it takes to get off the vessels. How can you improve on that in terms of trying to expedite the process for people getting on their journey?

Route Director, DFDS Jersey:

That is around working with port authorities, with stevedores. It is about bringing the vessel in and being able to start that disembarkation process as quickly as possible. But to give an example, when we were using P2 it was not possible to load and discharge foot passengers and vehicle passengers at the same time, simply for a safety reason because only one ramp was available to us on the vessel, where there are 2 ramps on Tarifa Jet. When we are on P1 and we have 2 ramps, then we have that opportunity to do both. So it is a question of optimising that flow from the vessel and it starts from on arrival talking to passengers, saying: “Okay, vehicle passengers can go down, foot passengers can go down.” We want to minimise that time so people can get off and obviously spend time in France.

Deputy M. Tadier:

Something we do need to touch on in terms of service levels before we move on is the winter timetable. So I have some personal experience of this because I know that there was a desire from your part to put on fast ferries over half term just before the end of October. I think there was quite a lot of cancellations due to the winter, which is, of course, not your fault. What is the balance to be struck between how long into the season you can run fast ferries before it becomes subject to cancellation? What is the sweet spot?

Route Director, DFDS Jersey:

There is 2 aspects to it. One, as you say, is the risk of cancellation. That is very difficult to forecast. I think it is fair to say that weather patterns are changing for the worse and they have been year on year for a few years now. That is down to climate change, where we have certainly seen that. I saw that in my previous role in Ireland. That does not help, but that also means more volatility. It is more difficult to predict, almost to the point where it becomes more difficult to predict, even though you can see that there is a storm coming, exactly how quickly that is going to come through. It is quite difficult to determine. That is one aspect of it. But poor weather can happen at any time of the year. It is simply slightly more likely to happen in the winter. The other aspect to it is, and again this comes back to running a sustainable service, the cost of running a fast craft service during the winter when it is not well subscribed is quite a significant cost to the business. Therefore, that cost needs to be borne by the rest of the passengers who are travelling at peak times. So that is the balance that we ...

Deputy M. Tadier:

I guess what I am saying is that if we take the October half term as an example, that is probably a time of year where you would already be running slow ferries if it were not for the fact that it was the holidays and there is a demand for fast ferries. But when the fast ferries need to get cancelled due to bad weather, which is quite likely, there is then that disappointment. It is more work for you. I guess what I am saying is at what point would you say let us have a shorter season for the fast ferries but have certainty?

Route Director, DFDS Jersey:

It is really difficult to answer because the risk of cancellation really ... it certainly increases from September onwards and it varies each year. I remember having a discussion with somebody at Irish Rail who was responsible for boarding at Rosslare and he said: “Look, we get the same number of storms but not necessarily at the same time of year.” I think there is something in that. It becomes a bit like producing a flu vaccine, just sort of rolling the dice a bit, are we picking the right time that that bad weather is going to happen? It is almost impossible to do. What I would say is we need to have services; we also need to have contingency. It is then around first and foremost have we got contingency to get people to where they need to be but then at what point are we communicating to them so that they can make whatever adjustments need to happen. Because they are significant, clearly, because that is affecting not just passenger but freight travel as well.

Deputy M.B. Andrews:

Just moving on to the vessel investment plan that forms part of the concession agreement, I just wanted to know what exactly is DFDS intending to do in terms of its investment in new vessels and what impact is this going to have on its existing fleet?

Route Director, DFDS Jersey:
As part of the contract we will be bringing in 3 new vessels. So that will be a replacement fast craft for Tarifa Jet at the end of 2028 and then it is a replacement R.O.P.A.X. (roll-on/roll-off passenger) vessel, so a vessel to replace Stena Vinga or whichever vessel is running at that point, and then a replacement for Caesarea Trader, the R.O.R.O. vessel. So 3 vessels in total.

Deputy M.B. Andrews:
Yes. In terms of the financing of that new investment as well, do you think that the Jersey route is sustainable to allow you to generate enough income to then be servicing the vessel on the new fleet that you will be investing in?

Route Director, DFDS Jersey:
Yes. That was obviously at the heart of the business case that we produced. The business case, DFDS needs to deliver sufficient return to reinvest in that fleet, which is to the tune of hundreds of millions across the contract. Then we also need to make a return for our investors, of course. So yes, within the business case between the freight traffic and the passenger traffic there is sufficient revenue to be able to do that. It is important that we do that because that is integral to the contract we signed.

Deputy M.B. Andrews:
So there will be no need, for instance, to cross-subsidise the Jersey route or potentially could you see maybe the Jersey route cross-subsidising other areas of DFDS's business?

Route Director, DFDS Jersey:
There is no cross-subsidy required and each route cluster is run as a sort of separate P. and L. (profit and loss). So as Route Director of Jersey, my focus is very much on the routes we have to the U.K. and to France. What happens elsewhere is, of course, of interest but does not impinge upon the DFDS Jersey activities, and likewise we do not impinge on others.

Deputy M.B. Andrews:
Is there any particular facilities that will probably form part of a new fleet that are currently not existing with the current fleet that you have in operation?

Route Director, DFDS Jersey:

Sorry, in terms of on board?

[11:45]

Deputy M.B. Andrews:
Yes, on board. Is there any facilities that you would likely have when you make those investments that are not currently part of what is already in place?

Route Director, DFDS Jersey:
I think when it comes to the design of those new vessels that is going to be an opportunity for us to sit down with Islanders, with businesses, about what is actually required on those vessels. It is unusual as a Route Director to be able to say we are going to have 3 brand new ships which are designed specifically for the routes that they are serving. In general, you are quite fortunate if you are in that position. Every vessel ultimately is a compromise. You could always do with more cabins. You could always do with more garage space. You could always do with a faster vessel. But at some point you have to make compromises to deliver the biggest bang for your buck, as it were. There is no point producing a vessel which can take 2,500 passengers if the average utilisation of that vessel across the area is going to be way below that number. So that is the opportunity, but I do think there are some quite interesting things that we have learnt already around things like the pet lounge on Stena Vinga, for example, which is a new concept for the Island, which has been very popular. I can certainly see that being rolled out to the new vessels as they come in.

Deputy M.B. Andrews:
Yes. Okay. Thank you.

Deputy M. Tadier:
There is a clause in the contract around extraordinary adjustments which gives some caveats and some latitude around reinvestment. Could you talk us through what you understand those to be and also what are the scenarios in which you may not be able to reinvest in a timely manner?

Route Director, DFDS Jersey:
Yes. I think those clauses, they represent the heart of some of the discussions with Government. As we serve the Island and as we have already had some of those monitoring meetings we are discussing with Government around operational effectiveness. We are discussing around passenger performance. We are talking about future investment. In the round, the point at which we would look to pull one of those levers is if we do not believe that we are achieving the return which will enable us to reinvest in future fleet or to make a return for DFDS. But that is a discussion

with Government, so as and when we identify a variance against what we are expecting, positive or negative, then that is something that we would discuss.

Deputy M. Tadier:
Can I just clarify? You said investment is from 2028. Is there a deadline by which you would hope to get all of the newer vessels online?

Route Director, DFDS Jersey:
I believe ... I would have to double check on that but I think certainly for the fast craft it is beginning 2029, end of 2028. I think it is 2030 and 2032 for the other 2 vessels.

Deputy M. Tadier:
Thank you.

Deputy K.M. Wilson:
Okay. Would you be able to give the panel some advice on what changes, if any, can be expected in terms of pricing for next year?

Route Director, DFDS Jersey:
Yes. Maybe if I just go back slightly and just explain how pricing has developed this year, that might help to inform that process. When we launched in March we launched with a set of products. Not all the products that we wanted were in play at that point and we have added in some products. So day trips were not available from day one but they were added in May, I believe. We added in short breaks as well. We have an early booking offer running right now, which is the 15 per cent discount. That is available until the end of March ... end of March, beginning of March?

Passenger Performance Manager, DFDS Jersey:
2nd of March.

Route Director, DFDS Jersey:
2nd of March, there we go. We have extended the day trip price to actually be a 24-hour return to St. Malo, which has been quite popular. For 2026 there are some things that we are looking to introduce. The one which has come up a lot and is probably most important in terms of innovation is a frequent traveller type scheme for Islanders. Our plan there is to implement that ... as the early booking offer finishes we implement a frequent traveller offer, which will effectively be a 15 per cent discount. That will be based upon travel out from Jersey and return crossing from ... out from Jersey and back to Jersey, so it is for Islanders. Islanders would basically apply for that, but that would then be available on all crossings throughout the year, so it is an always-on offer. That is a temporary

solution in many ways but it does reflect pretty much the scheme that the previous incumbent had, which I believe was a 15 per cent discount. However, we have a group-wide, DFDS-wide loyalty scheme which is going to come into play I believe Q1, 2027. That is something which will replace the temporary solution and that will enable Islanders to access discounts on all of DFDS's routes. So that is the Dover-Calais route, Dover-Dunkirk, Newhaven-Dieppe, but also up into Scandinavia and beyond.

Deputy K.M. Wilson:

So I think groups will be pleased to hear that, but we have actually had some feedback from Islanders highlighting the current increase in group rates. So could you just give us some idea as to how the pricing structure for the group rates works now and how different it will be when you introduce your new framework?

Route Director, DFDS Jersey:

Just to clarify, on group rates, is that just ... because there is a difference between, if you like, a public rate which you and I would pay and then, say, an inbound tour group or a school group that travels.

Deputy K.M. Wilson:

Mainly things like sports groups, schools groups, those sorts of things, yes.

Route Director, DFDS Jersey:

Okay. Those groups already have access to discounted pricing compared to the public rate. We have seen a significant increase in group bookings for 2026, which we partly expected because it is the second year of operation, but we are in a position now where we have more groups booked to travel in 2026 than travelled in 2025, which is a very strong position to be in. So I think the answer is group rates tend to be fixed. They do not flex with demand as the normal rates that are online do. They are pitched at a level which we believe is competitive and which will enable them to access lower pricing overall.

Deputy K.M. Wilson:

I think what we had heard is that the group rates were higher with yourselves than the previous operator and people were trying to understand why that was the case.

Route Director, DFDS Jersey:

I think I would need to see the detail. I do not have access to what the previous operator was charging. As I say, when I look at the group pricing it is very much in line with other routes in the

sense of the proportionate discount that is offered compared to an online booking that would be made.

Deputy K.M. Wilson:

Okay. Thank you. Just coming on to the marketing and sales strategy, which is schedule 7 in the concession agreement, it talks about specifically promotional activity targeted at residential Islanders. Could you outline the types of campaigns that you plan to implement for Jersey residents and visitors?

Route Director, DFDS Jersey:

Yes, absolutely. Some of those are already in play as I have mentioned. So we have put together a number of promotions around day trips, 24-hour fares, short breaks and the early booking offer. Something in the region of 48 per cent of bookings made in 2025 were made at a discount, so there is a number of different avenues for lower price travel to be achieved. As I say, for 2026 we are widening that to enable any Islander to get that 15 per cent discount across the year. So the proportion of bookings at a discounted price will increase in 2026.

Deputy M. Tadier:

Can I just seek clarification? Would the 15 per cent discount be automatically applied for ...? No. Tell us how that scheme will work.

Route Director, DFDS Jersey:

It will be through a ... basically, there will be a website. People will be able to register their email. We may look at some form of proof of residency or we will have a look at that. We want to make it as easy as possible, but it will be through a landing page link to that, so it will be an offer linked to that specific offer. So we want Islanders to opt in, basically.

Deputy M. Tadier:

Is it your understanding ... so there is a requirement in the contract to offer discounted fares for frequent travellers. I think it is in the marketing section. Is it your understanding that only applies to Jersey residents or do you need to apply that to any frequent traveller? So someone, for example, who lives in Dorset who comes to Jersey 3 or 4 times a year, do they have a right under the contract to expect the same level of discount?

Route Director, DFDS Jersey:

I think multi-trip is ... at what point does one become a frequent traveller is always an interesting discussion to have. Our focus has been on getting the Islander scheme up and running because that is where the vast majority of frequent travel happens. I think ...

Deputy M. Tadier:

Okay, but what I am saying is if you are effectively offering a discount rate to everyone without having to pay a fee to join the club, then that becomes your new base price, does it not? Because effectively then everyone can access it. I think in the past it used to be automatically set by the cost of the subscription. So if you knew that it cost you £75, then you would know at which point you would break even on that. Is that something you are looking to emulate in the future from 2027?

Route Director, DFDS Jersey:

I think that comes back to the longer-term plan for the group-wide loyalty scheme in early 2027. That is another reason why we do not want to create a whole new complex scheme which will only be in place for potentially 9 months. We want something which is easy to administer, to be candid, easy for Islanders to access. In the longer term, to have that loyalty scheme whereby we are able to offer the wider range of routes as well is obviously something that we want to promote not just to residents of Jersey but to all of our customers.

Deputy K.M. Wilson:

I suppose the question we ... it is very clear what your intentions are around Jersey residents, but also for wider visitors to the Island what kind of promotional issues and campaigns are you going to be able to address there?

Route Director, DFDS Jersey:

We have a few things in the pipeline. Yes, as well as the early booking offer which has gone out to all of our customer base and we are promoting, we have a potential tie-in with a major U.K. supermarket, which we are hoping to announce in early January, whereby not just Jersey but all of our U.K. routes are being promoted to their customer database, which is I think 4 million, Louise?

Passenger Performance Manager, DFDS Jersey:

Eleven million.

Route Director, DFDS Jersey:

Eleven million but 4 million ...

Passenger Performance Manager, DFDS Jersey:

With an active base of 4 million per month.

Route Director, DFDS Jersey:

Yes. So we have a dual role to play. We are selling obviously the connection between the U.K. and Jersey but we are also very conscious of the fact that we are selling Jersey as a destination, whether that is to U.K. residents or to continental Europe. So it is important that we get the message out there that yes, Jersey is a fantastic place to visit and we are a good way to get to Jersey, and then we work with our partners to promote what they can do when they arrive here, where they can stay.

Deputy K.M. Wilson:

Do you have the same approach to French visitors as you do to the U.K. visitors? I suppose what we are trying to test is what capacity and capability you are building around the visitor economy for Jersey on both the U.K. and French visitors.

Route Director, DFDS Jersey:

They are 2 different markets I think it is fair to say. With the French market we are working with our partners including Visit Jersey but also St. Malo Tourism Board. We are working with our own teams in France. We have obviously a significant presence in France anyway because of our services from Calais, Dunkirk and Dieppe. So we will be certainly pushing the day trip market next year. Again going back to that point around departure times, if we can get some departure times from St. Malo which are more attractive to French day-trippers, then that will be fantastic, but we will be promoting those links anyway. So yes, I think we can see an opportunity in St. Malo and the St. Malo region. St. Malo is a fantastic destination for French holidaymakers from across the whole of the country. Our ambition would be to bring them to Jersey either as a break in that holiday, as a day trip, or to extend their stay before and after. So we would not treat them the same. They have different expectations and we need to work with partners on Island to deliver a tailored product, as it were, to the French market and to the U.K. market.

[12:00]

Oh yes, thank you, Louise. Certainly, for next year we have already started that discussion around 2027 being the year of the Normans and that is a fantastic opportunity for Jersey, not just DFDS but Jersey, to really promote itself as being part of that family and really generate visitors.

Deputy M. Tadier:

Thank you. Could we ask some questions around the flat rate charged on freight more generally maybe? I will just start off with one ... it is not the prime question but it has been raised with us that there was that issue with the plugs on the car decks for freight that needed refrigeration. Is that something that has been resolved now?

Route Director, DFDS Jersey:

Yes. When Tarifa Jet returns from dry dock at the end of December there will be 4 plug-ins available on that vessel. We are also looking to make a similar fix on Levante Jet to enhance the capabilities there. That is primarily for when Levante Jet covers Tarifa Jet as opposed to the north-bound service, but in theory it could be used for the north-bound service as well.

Deputy M. Tadier:
We have just had the Norman Market. Were there any issues with refrigeration on that? Did anyone need refrigeration?

Route Director, DFDS Jersey:
Not that I am aware. We got everyone in. I think we had 8 vehicles coming in. I am not aware that there were any issues.

Deputy M. Tadier:
It is not working yet but it will be working, is that correct?

Route Director, DFDS Jersey:
Yes.

Deputy M. Tadier:
Okay. That is fine. I suppose while we are on the subject - it is not freight related - the accessibility issues that were highlighted earlier on in the year about the wheelchair user who had to stay in his vehicle, can you explain how that arose?

Route Director, DFDS Jersey:
I can. Obviously, I do not really want to comment on specific cases but in terms of what happened - and I think it is public knowledge and we apologised at the time - while we identified that the customer needed assistance at check-in, he was put into the wrong lane and he was just missed. Therefore, by the time it was realised, the vessel had been pretty much loaded and it was impossible to get him close to the lift to be able to get into the public areas. That was a failure of process. Of course, we are looking at that in terms of additional safeguards that we can put in, but it was certainly an exception rather than ...

Deputy M. Tadier:
If that happened again in that scenario, would you have unloaded or would you have ...?

Route Director, DFDS Jersey:

We will not be getting to that situation again because we simply have identified both shore side and on board those processes that need to be reinforced, yes.

Deputy M. Tadier:
So there has been learning in that?

Route Director, DFDS Jersey:
Yes.

Deputy M. Tadier:
Getting back to the flat rate, I know this did come up during the ... there was the Jersey Hospitality Association event that you attended and the Minister was another panellist. From our understanding the imposition of a flat rate card, if we can call it that, seems to have been very much driven by Government. I think it is fair to say you have probably been agnostic on that and you have been willing to just go with the requirement. Was that part of the initial tender process, so the second part of the tender process? Was that a condition of tendering?

Route Director, DFDS Jersey:
Yes, it was. That was, yes, an expectation from bidders that a flat rate card would be set out.

Deputy M. Tadier:
Did that have any pricing implications for you? Did you need to adjust your freight charges accordingly?

Route Director, DFDS Jersey:
Well, of course, we put a bid together based upon the knowledge that it had to be a flat rate fare and based on the volumes that we were expecting. So I would not call it an adjustment. It was simply that was part of the calculation that we had to make, yes.

Deputy M. Tadier:
That is not standard elsewhere. Is that the first time you have seen a flat rate applies?

Route Director, DFDS Jersey:
It is not something I have seen before, but equally we are in a different situation here than we are with other routes. This is a lifeline service and, as I said, it is a regulated monopoly. Elsewhere freight pricing can be based on different criteria. It can be matrix based, so you pay less if you ship more on a per unit basis, but it is also more of a commercial discussion with freight forwarders and

other customers. In this instance, the flat rate means that we pass that through as a consistent charge to everyone who used the service.

Deputy K.M. Wilson:

For the benefit of the panel's understanding, can you just outline the process of freight shipment, the different types of companies that participate in it and what specific conversations you had with them around the time of the tender exercise?

Route Director, DFDS Jersey:

Yes. We had discussions with one or 2 of the bigger freight forwarders around our own capabilities, what we do elsewhere and what their expectations were, obviously as a precursor to ensuring that we have that connection already in place so that we could get off to a strong start once the tender award was made. Then we had discussions with freight forwarders and retailers and others around freight schedules and passenger schedules before we launched basically in late March.

Deputy K.M. Wilson:

What kind of response did you get in those discussions to the proposal to introduce a flat rate card?

Route Director, DFDS Jersey:

I think it varied. Some were very much for it; some were very much against it, as one would expect. I think whenever there is a change of process in that way there are winners and losers, is the honest answer.

Deputy K.M. Wilson:

When you heard some of those concerns, did you have a view about how the freight pricing structure could emerge across the DFDS routes in terms of whether or not it fell for the flat rate or for a different type of arrangement that you think would have been more suitable?

Route Director, DFDS Jersey:

I do not think we had that discussion simply because the flat freight rate was part of the original tender expectation. It was part of the business case that we put forward and was, ultimately, accepted. In terms of what we could do differently, I do not know. It is very much a case of, for us, it gives a certain amount of surety that the business case will be put forward. We know what the rates are going to be now and, indeed, going into the future and I would say the same applies to customers, so they know what the freight charge is. They also know, again, the guardrails that there are around what we can do in terms of price increases going forward. I think from at least a point of consistency, and at least a point of clarity for all customers, they know that they are being treated

the same by DFDS, they are being charged the same by DFDS and therefore that is, I guess, the aim ultimately of what was required from the Government.

Deputy K.M. Wilson:
Where do you think the biggest impact to the introduction of the flat rate card would have been felt? Would that have been felt on bigger operators or smaller businesses do you think?

Route Director, DFDS Jersey:
I have to be honest; I do not know because I do not know what charges were being issued before we came into the routes. We do not know what the previous incumbent was charging and we do not know what the freight forwarders were charging their customers. We do not really need to know what freight forwarders are charging their customers, to be honest with you. We are obviously applying a fairly straightforward approach which means that planning can happen, but I do not know how that compares to what was there previously because there is no, as I believe, public data on that. Of course, it is commercially sensitive information that nobody would realistically offer.

Deputy K.M. Wilson:
No, sure. Okay. Thank you.

Deputy M. Tadier:
Can I just ask: there is a difference, of course, between freight and passengers so a tour operator could legitimately come to you and say: “Look, I want to book 40 foot passengers on”, and you will give them a discounted rate, I presume?

Route Director, DFDS Jersey:
Yes.

Deputy M. Tadier:
Is that determined by the contract, that rate, or do you have flexibility to determine discounts with a particular tour operator for visitors?

Route Director, DFDS Jersey:
Within the contract, yes, we have flexibility to offer discounts to tour operators or other interested parties.

Deputy M. Tadier:

You could offer differential price. You could have a German operator who you negotiate a particular price with that might be different to, say, a Swiss or Italian operator. You are not obliged to give the same price to everyone.

Route Director, DFDS Jersey:
In practice, that does not really happen so much because we have a set of tour operator prices. We do not necessarily then get to the point of having individual discussions about bespoke rates when it comes to tour operators. It just does not make sense to do that because …

Deputy M. Tadier:
You could if you …

Route Director, DFDS Jersey:
If we really wanted to, yes, we could, but in practice it does not tend to happen.

Deputy M. Tadier:
Okay. Thank you.

Route Director, DFDS Jersey:
Sorry, so within the contract there is a high and low framework. I do not think we have tested it yet, but I suspect that if we said we wanted to go lower than the lowest point, I do not think anybody would particularly stop us.

Deputy M. Tadier:
No, I suppose from our perspective, we are just drawing the fact there is a different approach from Government in terms of what they expect from goods versus passengers.

Deputy K.M. Wilson:
Do you have any ideas, or what would you suggest, in terms of improvements that should be made to enhance the future ferry provision and better support needs of Islanders in terms of freight transportation?

Route Director, DFDS Jersey:
I think what we have right now is a significant improvement in terms of capacity and capability. We have Caesarea Trader and we have Stena Vinga, both of them sailing one Island, whereas previously it was a 2-Island service. My understanding is that obviously … well, of course, it gives operational headaches in terms of which Island are you serving first, which one is being loaded in Portsmouth first, which one do you prioritise in the event of delays and cancellations and so on. I

think in terms of enhancing service, I would say that from an Island perspective the capacity that is available is significantly better. We saw that last week when we had disruption - we had serious weather disruption - but we were caught up within 2 or 3 days just by the fact we had 3 departures which were cancelled. In terms of the future planning, of course, at some stage we want to replace both the R.O.P.A.X. and the R.O.R.O. service of both Vinga and Trader and will look at what is required really from an Island perspective at that point. There will be discussions, I am sure, with freight forwarders, for example, about the size of trailers that they are using. Will they be able to take larger trailers? That could certainly form part of that conversation. Equally, when it comes to developing the fast craft for St. Malo, we need to think about freight capability there so that we can widen the options for freight customers coming in from and, indeed, going to France.

Deputy K.M. Wilson:

When do you think that we would have some sense of what that might look like in terms of the plan?

Route Director, DFDS Jersey:

In terms of the fast craft for St. Malo, that will be next year. We will be starting those discussions early next year. In terms of the other vessels, those are coming along a little later. I think it would be right to have those discussions closer to the point where we start the building process and the design process so that we have as much information as possible of current trends in freight.

Deputy K.M. Wilson:

Thank you. Can you provide the panel with some detail as to why businesses began receiving backdated port dues in August 2025?

Route Director, DFDS Jersey:

Yes, and we rolled those back. Again, I think this goes back to perhaps visibility of what customers were paying previously. Our expectation was that port dues would be passed through to users because that is generally what happens. In this instance, the tonnage dues are and were being passed through the customers, whereas the per unit charges were not, and that was something which just was not picked up.

Deputy M. Tadier:

Can I just clarify? I do not think anyone wants to drop anyone in it, from a Government point of view or yours, but just so we can understand where the error occurred or the lack of communication, what happened in terms of the misunderstanding?

[12:15]

Route Director, DFDS Jersey:

I think in terms of how we put forward the business case, our expectation was those port charges were effectively revenue neutral for DFDS. That was not the way that it was previously handled by the incumbent, so once we realised that, then obviously we have a deficit in our business case. This is an equation - ultimately, going back to the point that we were talking about earlier - if we do not have the revenue in, to meet the costs going out, then if we have missed a piece, which we did there, then we would have to do something elsewhere, which is either going to be a change of price or try to increase volumes or reducing cost to be able to ensure that the business case still is possible to achieve. From discussions with Government - again, this goes back to the monitoring panels and the meetings that we had - we rolled that back on the basis that we recognised that it was a cost which was not expected and we have taken that cost up to the end of this year. We are …

Deputy M. Tadier:

How much is that cost to you? What have you had to absorb in terms of cost?

Route Director, DFDS Jersey:

I do not really want to give numbers in a public hearing, if you understand, but …

Deputy M. Tadier:

Is that going to have an impact I suppose is what we are asking. Are you going to have to pass that cost on ultimately to passengers or …

Route Director, DFDS Jersey:

I think in terms of 2025 we have absorbed that cost, so we are talking 9 months of that cost. That we will take as part of the start-up operations of a 20-year contract. Therefore, we can make that up over time, but for 2026 and onwards we have made that correction, if you like. We have put that charge back in on the basis that it is something which we need to see covered otherwise we will not be able to see that reinvestment. It is a one-off correction, basically, and then we have put in the inflationary increase as set out in the contract.

Deputy K.M. Wilson:

I think we are really struggling to just understand why it was missed and why it was such a critical part of the agreement that was not discovered.

Route Director, DFDS Jersey:

You have a per tonnage charge, and you have a per unit charge. These are all public charges. Anyone can see them. They are visible on each port's website. Our expectation was that those charges were passed directly on to customers. Obviously, we could not see what was happening

because they are commercially sensitive, but that was our expectation. Now, that was incorrect because the per tonnage charges were passed on but the per unit charges were not, but we had no visibility of that. Once we identified that, then we had some discussions about what we could do about that, but the revenue involved is just too much to just say: "We can absorb it and move on." What we have done is we have said: "Okay, we need to give some time." Therefore, we have absorbed that cost up until the end of the year, but we need that correction, which will be a one-off, and then we will be on to the right path again.

Deputy K.M. Wilson:

Where and when do think that information should have been made available to you?

Route Director, DFDS Jersey:

I do not know where that information would have come from, if I am honest, because I do not know if anyone outside of the previous incumbent or their customers would have necessarily known specifically what was being passed on and what was not.

Deputy K.M. Wilson:

Would you have expected Government to have talked to you about that at all?

Route Director, DFDS Jersey:

We did discuss about freight charges originally. In terms of that gap that emerged, yes, of course, we discussed that with them in August once it was identified. Then, as I say, we rolled back and we issued credits for those charges up until … well, I think it was for about a month and then we have not charged that and we will not until the end of December.

Deputy K.M. Wilson:

Okay. Thank you.

Deputy M. Tadier:

If we just move on to another area - I know we are getting near our time limit - one area that we have had a lot of correspondence about from the public, but also from sports groups as well in Jersey, is inter-Island connectivity. You have touched on it already. We accept it is a suboptimal position, I think, for the Islands and perhaps for yourselves to be in and for Government. There will no doubt be some pros to it but there are probably quite a lot of downsides. Can you talk to us about, I suppose, what the difficulties are in inter-Island travel, given the fact that there are 2 separate contracts, 2 separate companies, and what you think the potential wins are in the future? How might this pan out and what is possible?

Route Director, DFDS Jersey:

Firstly, of course, we signed a contract with Jersey. We did not sign a contract with Guernsey. Setting up an inter-Island service on the basis of a contract signed with one party but not potentially with Guernsey makes that very difficult. It was discussed as part of the tender process and there is a clear desire on the part of Government and DFDS that there should be capability to run services between the Islands. We recognise that this is a social need as well as a freight need and also tourism need for us to play our part. What I would say the difficulties are: we need to work with both Islands, we need to work with both ports, and we need to work with the other operators. Of course, now we have 4 operators in total, 2 of which, I believe, receive some form of subsidy. We need to fit our services into that constellation of services between the Islands. Now, we ran services between Jersey and Guernsey this year. We ran those with Tarifa Jet when we ran those services on a Monday. I will be candid, they were not a success and that is primarily because they were not running when demand was there, so we were running them but not delivering a service which people actively wanted to pick up on. We are looking at 2026 and what we can do there in terms of all of our vessels, which would be best to run into Guernsey and on which days. That is something which we hope to pick up with both Governments at the latest in the New Year, in January, so that we can start to plan that. I think from an Island perspective there is a lot of capacity for foot-passenger traffic. There is obviously a limitation on capacity for people with vehicles and I recognise that. We are discussing and we have further meetings this week with interested groups, motor groups and with sports groups as well, to see what we can do. It has to make sense, though. It has to be viable. It has to be, to a degree, commercially viable. It needs to wash its face, I would say. It does not need to be profitable but …

Deputy M. Tadier:

Do you think there needs to be reciprocity? Would you envisage that if DFDS were allowed or asked to run, say, 3, 4 services a week with vehicles to Guernsey and back, does that then need to be reciprocated the other way?

Route Director, DFDS Jersey:

I do not know. That is for the DFDS to consider. That is for the Islands, really, to weigh …

Deputy M. Tadier:

I suppose what I am asking is at what point are these commercial negotiations that you feel you can have directly with Guernsey or does it need to be done at a political level?

Route Director, DFDS Jersey:

I think it is primarily a political discussion, if I am honest with you. It is not really a commercial exercise for DFDS in comparison to the core business that we have.

Deputy M. Tadier:

If you were to run, say, ferries daily to Guernsey with vehicles, would you then expect to need to go on northwards or would you be able to run shuttles between the Islands?

Route Director, DFDS Jersey:

I think it is really difficult to run shuttles without affecting the core schedule that we have. Clearly, as you know, we ran the service in for the Muratti this year, which was great and it was fantastic to get the fans over to see the teams, but it did have a significant impact on supply chain, both for import and export.

Deputy M. Tadier:

Were you asked to run that? Was there an expectation that you would run the Muratti?

Route Director, DFDS Jersey:

We were asked to look at that and to run that service.

Deputy M. Tadier:

What would happen if you said no, do you think?

Route Director, DFDS Jersey:

That is a hypothetical. I do not know, but we did. We felt it was the right thing to do but it did mean that we were causing significant issues elsewhere for export, for Jersey Royal, for example.

Deputy M. Tadier:

Would you have done that again or would you … in hindsight?

Route Director, DFDS Jersey:

Not in precisely the same way but I think what we would have done, or what we will do next time, is we will have those discussions early with all affected parties to see what can be done because, again, if you give people notice, it is possible for them to change, whether that is freight or passenger. It is when things are done quite late it is difficult.

Deputy M. Tadier:

I am guessing they were foot passengers mostly anyway, were they?

Route Director, DFDS Jersey:

Yes.

Deputy M. Tadier:

That may not be an issue because there are possibly alternatives.

Route Director, DFDS Jersey:

That could well be the case for the future, yes.

Deputy K.M. Wilson:

Did you say that it impacted on the exports for Jersey Royal?

Route Director, DFDS Jersey:

Yes, because we used Stena Vinga to provide that service, which meant that we cancelled a round trip from St. Helier to Portsmouth to be able to facilitate that. From a Jersey Royal perspective, obviously that is a peak export period. What we ended up doing was cancelling the Caesarea Trader service to St. Malo so that Trader could run back to Portsmouth and maintain that service level for the exporter. Now, that comes at a cost. It comes at a cost for us in terms of running the services. It also comes at a cost for the supply chain southbound because then that meant we were not running into St. Malo for that weekend. I think every time that we make a change to the schedule we are thinking about the implications for all of our customers and the whole of the customer base but also, as I say, we want to be more than just a point-to-point A to B provider. We want to be embedded in the Island and the best way to do that is to provide services over and above and to try to facilitate those connections.

Deputy M. Tadier:

Do you think if there were conversations at governmental level between Jersey and Guernsey and an agreement were to be made that DFDS could run a service, say, Monday, Wednesday, Friday, which would then continue onwards, and Brittany Ferries could do the same, say, Tuesday, Thursday, Sunday, is that something that you think is going to be financially viable or would you need to start talking about subsidies from Government to provide that?

Route Director, DFDS Jersey:

I think we need to look at it. I do not know, is the answer. I think we would need to look at what the implications are for the existing schedules and also what the implications are for contingency in the case of delays and cancellations because it is not just the specific services themselves. If there is a run of bad weather, which is priority? Is it running into Guernsey to pick up passengers who are coming into Jersey or is it to get to Jersey with a load and discharge and turn around and go back? There is not a right answer to that, and it will be situational. In terms of what that will cost, I think that is something we need to have a look at and then we need to bring to Government to say: “This

is what we believe the impact will be." I do not know. Again, it is about the appetite for both Islands for those services. Ultimately, I guess, we need to sit down, as we did at the start of the year, with all parties, including the other operators, to see what we can do to provide as good a service as possible.

Deputy M. Tadier:

Would there be a concern from your point of view that that could be used as a way to circumvent the separate contracts? Theoretically, if there is now inter-Island vehicular travel, there is nothing to stop somebody going over to Guernsey and then travelling on with Brittany Ferries to Portsmouth and there could be competition, of course, on that. Is that …

Route Director, DFDS Jersey:

I do not think that is a significant concern in the sense of that is already theoretically possible. If you are a foot passenger at least, it is certainly already possible. Obviously, our focus is on Jersey. Our focus is certainly not on Guernsey to U.K. or Guernsey to France. That is not our market. That is not for us to really get involved in. We just want to provide a service for visitors to Jersey and for Islanders.

Deputy M. Tadier:

I suppose what I am trying to get at is: is this just the way it is going to be now for the next 19 years if there is not any vehicular ferry service between the Islands or is there a solution that you can see with your strategic experience?

Route Director, DFDS Jersey:

I would say that I certainly hope that we can find a solution whereby we can provide more connections next year. I do not know enough yet of how we would run that service. It is about access to berths in St. Peter Port as well, of course, and making sure we are not conflicting with other providers there. I am just very conscious of the fact that, as we saw with the Muratti, if we make significant changes to our schedules, we need to understand the full impact on the core services because that is what we are contracted to do. As we did with the services in the summer and with the Muratti, I am absolutely happy to have those discussions with Government around what is possible. If we can find a schedule for all 4 operators which works well, then that would be fantastic because ultimately we just want to play our part in providing that connectivity.

[12:30]

Deputy K.M. Wilson:

What does 2026 look like for DFDS?

Route Director, DFDS Jersey:

It is a year I am looking forward to. I think we have had a lot of hard work this year to get up and running and we have put ourselves into a good platform to see growth next year. 2026 for me for next year is around enhancing the experience onboard. It is about increasing the number of people travelling. It is about building more of the feedback that we are getting from customers, whether freight or passenger, into how we can make our services better. I think there are a lot of positive things which are going to come through for next year. We are investing a lot in the fleet. We are making some improvements to Levante Jet, for example, when she goes into dry dock, which will mean new seats, an improved café area, and improved premium lounge, all of which have been customer feedback that we have had: "We would like to see you do this." That builds on the improvements we have made on Levante Jet this year with the duty-free shop going in, premium lounge being put in, and more charging points going in, for example. These are quality of life things which make crossing much more attractive for people. I think for me it is around that growth, but it is also settling into delivering that cadence - particularly for freight - of reliability and that will be the focus.

Deputy K.M. Wilson:

Thank you.

Deputy M. Tadier:

Thank you. We are at time so unless you have questions, Deputy Andrews?

Deputy M.B. Andrews:

No.

Deputy M. Tadier:

Can I just say thank you for coming in. We may have one or 2 questions that we could not get through. Are you happy for us to send them to you in a written form and see if you can answer them?

Route Director, DFDS Jersey:

Yes, of course.

Deputy M. Tadier:

Thanks again for coming to talk to us. We appreciate your time. We wish you all the best for 2026.

Route Director, DFDS Jersey:

Thank you.

Deputy M. Tadier:

I think we are just going to switch the camera off. That is fine, we are off now. Thank you.

[12:32]