



Economic and International Affairs Scrutiny Panel

Ferry Service: Concession Agreement Review

Witness: The Minister for Sustainable Economic Development

Thursday, 29th January 2026

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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. T. Brackenbury, Sector Lead, Aviation and Maritime, Department for the Economy

[14:03]

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

Minister and team, thank you for joining us today. I will just introduce our panel and the purpose of the hearing. We are the International and Economic Affairs Scrutiny Panel, not necessarily in that order. I am Deputy Montfort Tadier and I am the chair of the panel.

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.

Deputy M. Tadier:

Thank you. We have apologies from Deputy Porée today. The purpose of this hearing is that we are doing a review into the ferry contract, so the concession agreement, as it is otherwise called, between the Government of Jersey and the ports authorities and DFDS on the other hand. It is a topic of interest, as I am sure you can imagine. Minister, we will just hand over to you to introduce yourself for the record.

The Minister for Sustainable Economic Development:

Deputy Kirsten Morel, Minister for Sustainable Economic Development.

Chief Officer, Department for the Economy:

Richard Corrigan, Chief Officer, Department for the Economy.

Sector Lead, Aviation and Maritime, Department for the Economy:

Thomas Brackenbury, Sector Lead, Aviation and Maritime, Department for the Economy.

Deputy M. Tadier:

Thank you. Thanks again for coming in. We will just launch straight in. You will be aware of our review and the terms of reference, I trust. Minister, could you just give us an overview? DFDS is now coming up almost to its year anniversary. Could you just talk us through how you think DFDS has been performing and specifically in the context of the concession agreement?

The Minister for Sustainable Economic Development:

Okay. Yes, it is still obviously very early days. DFDS, as of earlier this week, has completed 10 months service, so there is still a fair way to go to the end of their first year. As was to be expected, there were some difficulties at the start-up but they did get through them and they also, in that particular first 2-week period, showed that they have the contingency capability. They had an issue with one of the vessels but they were able to bring in contingency to cover that off, so people still travelled, as has been the case previously. So there was that difficulty. They also obviously, because of the late nature of the award of the concession agreement, had their run-in time and so from a marketing perspective I think they suffered there as well. So there were

difficulties, there is no question, but I think now they are very much up and running. They are engaging in our quarterly meetings. We had one very recently, as specified by the concession agreement. They have also set up other subcommittees of that such as the marketing subcommittee and they are setting up a freight subcommittee as we speak. The indications for this second year, or still completing their first year of service but for 2026, are good. Obviously we will not get the figures until after 31st January but it looks like sailings, passengers from Saint-Malo are up 40 per cent this month compared to last year for this month. Again, this time last year it was still Condor in service, so against Condor's performance in 2025 DFDS is still 40 per cent up on their Saint-Malo sailings in January and 20 per cent up on their U.K. (United Kingdom) sailings in January, which is good. Their forward bookings for 2026, they have already booked more group bookings than they did for the whole of 2025 and, as I understand it, they are very happy with where they are in terms of bookings. We are talking in excess of 70,000 people already booked for the year ahead and we are only in week 4 of the year. I know from a tourism perspective the year ahead is looking good with every month for forward bookings for hotels looking higher. In every month except May, which is 1 per cent down for forward bookings, every other month is between 2 and 4 or even 5 per cent up for all the other months. So we are looking at a much stronger projection for 2026.

Deputy M. Tadier:

Thank you. That is good useful background generally. I suppose one question arising from that is will you also be looking to compare this year's figures for DFDS specifically with 2024, 2023? I think you accept, probably, 2025 was an anomalous year for various reasons, so will you be looking at different benchmarks?

The Minister for Sustainable Economic Development:

That is one of the reasons why I stated that this time last year it was still Condor in service, so that was the standard Condor service, but if you look at the January figures for 2025 and 2024 and 2023, they are very similar. They are around 2,500 to about 2,900. My understanding is they are up against all of those 3 years.

Deputy M. Tadier:

Thank you. Minister, the concession agreement identifies its primary aim is delivering a reliable, efficient and sustainable ferry service that meets the transportational needs of Jersey residents and visitors. To what extent do you believe the agreement and the operator are currently fulfilling this aim in practice?

The Minister for Sustainable Economic Development:

They were given some leeway in terms of the set-up, so in 2025 some of the measurements in the contract were kind of waived for 2025, and I know the officers can go into that but that makes sense, given the lack of run-in they had, particularly from a marketing perspective. Against, I think, all other metrics, they are doing very well in terms of delivering what they said they would deliver. We have the 6 and 5 freight sailings, which is 6 dedicated freight sailings and 5 Ro-Pax freight sailings, I think, which compared to the Condor one that was 5 and 5 as their minimum standard, so the minimum standard has gone up for the amount of freight. The actual lane metreage both in off-peak and peak sessions is greater under the minimum service agreement now than it was under the previous one. That is no criticism of the previous incumbent. The agreement we had provided for less lane metreage than we do now, so Jersey is far better positioned from a freight perspective. Obviously all that ... in excess of 16,000 lane metres of freight a week. In low season that is 15,000 lane metres a week. I believe that in the previous agreement it was something like 12,500 lane metres a week. From that perspective we are being served far better than we have been before in terms of freight and capacity.

Deputy M. Tadier:

We may get on to this later. Obviously some of the adjectives, the criteria I read to you there about the ferry service being reliable, efficient and sustainable, clearly affordable is not in there as a requirement. You can perhaps speak to that.

The Minister for Sustainable Economic Development:

I think "sustainable" covers that off.

Deputy M. Tadier:

I suppose the question of affordability and efficiency, these might be themes that we come back to. We are mindful of your comments recently in the media about the new boats and I think you said they have to be paid for somehow and of course it is customers ultimately who will pay for any upgrades in the service.

The Minister for Sustainable Economic Development:

As I said, whether you are an airline, whether it is easyJet buying a new plane or whether it is Condor buying a new boat or DFDS buying a new boat, ultimately it is the customers who pay for those new vessels. The contract has been set up to ensure that the revenues coming are used to invest in new vessels. That is a brand new part of the concession agreement. If you look at the previous concession agreement, there was nothing around that in there. All it talked about was making sure that any new vessels were on a like-for-like basis. It did not talk about how they would be financed. As you have referred, Chair, to media recently, I think there was some very interesting reporting by ITV news recently where the graphs that it provided show that DFDS is

providing better pricing than Brittany Ferries, Condor, in many, many areas. That is the very graphs that they put on the article itself and so it is very odd that they lead with a headline that is against one particular firm out of those 2. My view is there seems to be a significant distortion in the amount of focus on DFDS as opposed to the amount of focus on Brittany Ferries.

Deputy M. Tadier:

In terms of their pricing?

The Minister for Sustainable Economic Development:

In terms of all aspects, to be honest with you. We do not hear very much about Brittany Ferries.

Deputy M. Tadier:

I suppose we are looking at DFDS. We cannot look at Brittany Ferries, but I think it is natural for the public to compare both what has gone before and also maybe what is going on in Guernsey. I am going to just pass over to Deputy Wilson because I think there are some questions perhaps around performance monitoring that are relevant.

Deputy K.M. Wilson:

Thanks, Chair. Minister, if I could just start with the monitoring committee, could you just for the public explain who is the monitoring committee?

The Minister for Sustainable Economic Development:

The monitoring committee consists of officers from my department. It consists of Ports of Jersey and the Harbourmaster and obviously DFDS are part of that as well but, Richard, you may want to contribute to that.

Chief Officer, Department for the Economy:

I chair the committee. Ports of Jersey leadership, including the Harbour Master, and then we have senior management from DFDS, both locally and from Copenhagen as well.

Deputy K.M. Wilson:

Thank you. And the Island authority?

Chief Officer, Department for the Economy:

The Island authority is the Government ultimately but the concession agreement itself is a tripartite agreement, the Government, the Harbour Master and DFDS.

Deputy K.M. Wilson:

Okay, thanks. That was just for the public to understand that. Can you just explain to us how often you meet and what sort of monitoring arrangements you have set up so far?

Chief Officer, Department for the Economy:

There is a structured programme of quarterly meetings. There is almost like a senior committee that covers ... that everything aggregates to in terms of if there are any particular difficulties. Then it breaks down into a series of subcommittees around operational matters, passenger growth and marketing and infrastructure investment, but they would then aggregate up to the quarterly meeting. We would receive a slide deck that covers all of those aspects, any salient points arising from the committee. If there are any concerns that we want to express either to DFDS, or indeed them to us, that is the right mechanism for doing it. In terms of the performance data, the performance data for sailings is now on gov.je, so there is information there quarter by quarter showing the actual level of delays and cancellations across all the routes, something that we have not had before.

Deputy K.M. Wilson:

Are you intending to produce a much broader suite of performance metrics for the public to have a look at or is this the sort of performance framework that you will monitor the contract against?

Chief Officer, Department for the Economy:

I think the public are looking for punctuality, reliability of the services principally, so cancellations and delays is the primary information. Separately we receive financial reporting from DFDS around the fare structure. You will see from the concession agreement, certainly the redacted version does not have the minimums and the maximums and so on in there for commercial sensitivity reasons but we receive pricing information from DFDS against that to ensure that we are policing the perimeter of the fare structure to ensure that passengers are not being charged outside the margins and also that the mean average fare is consistent with where they tendered as well.

[14:15]

The Minister for Sustainable Economic Development:

We never previously had insight. We never previously had insight into the mean fare structure. All we really saw was the margins ourselves by looking at it. I believe the previous agreement also said that I think the only real touchpoint was of course the provision of the return on capital employed from Condor as it was. I am not sure that was ever really provided on a quarterly basis either. So from a monitoring perspective, if you were to compare the current agreement versus the previous agreement, the level of monitoring is massively higher.

Chief Officer, Department for the Economy:

We are able to see full financials at the route level, so we see the profit and loss account in effect for the Jersey routes and then obviously as a group that is in the public domain, they have transparency of their financial reporting as well, which some other providers that tendered clearly do not have.

Deputy K.M. Wilson:

Thank you. In addition to what the Minister said before about his view about how things are operating, what is the data telling you about the way in which the contract is operating and the way in which the operator itself is performing?

The Minister for Sustainable Economic Development:

It will be better for officers to answer this because I am not a part of that quarterly meeting.

Chief Officer, Department for the Economy:

Information is in the public domain about cancellations and delays. I think, as the Minister has said, there were teething issues with getting some vessels mobilised. There were some issues on board. There was a substitute vessel, so there was a Ro-Pax vessel used on Jersey-Saint-Malo for a period of time rather than the high-speed craft, so that would have led to obviously delays in sailings and a different timetabling for that period. So there were some initial complexities but fundamentally now we are seeing a largely compliant schedule, both in terms of freight and in terms of passenger movements as well in terms of complying with the contract. Others may beg to differ, others may make comparisons elsewhere but I think it is important for people to understand that Jersey is a tidal port and so heavily impacted there. Also there is the positioning of the port in terms of prevailing winds and it is much limited for vessel movements than St. Peter Port in Guernsey, for example. Also anything above 35 knots of wind and there would be no berthing of the vessels into St. Helier harbour. So at 30 knots it requires a tug and at 35 knots there is no berthing. There is much more difficulty around the vessels berthing and arriving into and departing from St. Helier harbour than there is with the other ports on the route network that DFDS serves or indeed that the other Channel Island operator serves.

The Minister for Sustainable Economic Development:

Their reliability figures, which like you say are publicly available, show a decent level of reliability, there is no question. There is no big ... especially if you put that first month aside, after that the reliability is very good.

Deputy K.M. Wilson:

Taking into consideration all of those factors, are you saying that you have designed your K.P.I.s (key performance indicators) around those particular issues so that they take into account all of those sort of scenarios you have just outlined?

Chief Officer, Department for the Economy:

The critical aspect for us is that when a cancellation is happening for any reason that there is a notification process that the operator has to go through, they would notify Jersey Harbours of an intended cancellation or delay to services. They provide the supporting information that they are making that decision upon and that is looked at not to challenge it back and say: "You must sail" because any decision to sail is always with the master of the vessel. So even the DFDS chief executive in Copenhagen cannot say: "You must sail." It is always the decision of the master of the vessel, but to make sure that the information they are using is reasonable, based on everything that is available at that point in time ... and also we are looking at a 48-hour window for DFDS to make that decision, which the weather may not come through quite as badly, in which case people might say: "Well, why did they not sail?" At 48 hours that is considered to be the most reasonable point to have an accurate weather forecast for the whole of the route, not just where the wind is blowing off the Island, and also to provide ample notice to freight users and to customers in terms of changing their travel plans.

Deputy K.M. Wilson:

Are you saying that over the last 12 months, if you were to look at the trends that are emerging, do you see continuity of performance or do you see it improving over time?

Chief Officer, Department for the Economy:

We are converging on improved performance and performance that is consistent with what we expect in the contract.

Deputy K.M. Wilson:

At what point do you think that improvement started to kick in?

Chief Officer, Department for the Economy:

I think once they got the vessels, the originally intended vessels on to the routes, that made a big difference. Then it is a case of other operational factors beginning to fall away. The need to take on pilots, for example, at St. Helier and at Saint-Malo and at Portsmouth again are further delaying factors in terms of slowing up the vessel ahead of time. Also they had complications, as I say, like with tidal movements and so on. If they were in any way delayed, there are some challenges there. On the route to Saint-Malo, do they go over the top or to the east or to the west on a journey there? Those are all things that the masters of the vessels have become more and more

familiar with. So I think we are now in a position in 2026 that we have an operator that is providing the level of punctuality, resilience and reliability that we are seeking but, as I say, we monitor that closely and the figures are there in the public domain to promote public confidence rather than people just having their own perceptions.

Deputy M. Tadier:

Can I just ask, while we understand that weather is necessarily temperamental, the tidal movements are well known. Jersey has not just become tidal. Can you explain why tidal considerations have been an issue?

Chief Officer, Department for the Economy:

Yes. If the vessel is delayed in any other way, then it may fall outside the tidal window to be able to come in to discharge and to leave again on that same tide.

Deputy M. Tadier:

That is if there is a delay already. It does not explain why ...

Chief Officer, Department for the Economy:

Absolutely, but it can mean a delay gets exacerbated and becomes even worse. It may delay until the next tide potentially. Also then once you are out of synch, you have got pressure on berths now at Saint-Malo with one berth only in operation and at Portsmouth as well. Portsmouth is a busy port, both with commercial movements and Navy movements, and that sometimes affects the timetable as well. This is a complex process. It is not just there is always a berth available and that there is always a high tide to be able to bring the vessel in, in the right conditions.

The Minister for Sustainable Economic Development:

The reference you made to tides was about exacerbating delays.

Chief Officer, Department for the Economy:

Yes.

Deputy M. Tadier:

Yes. Thank you for clarifying.

Deputy K.M. Wilson:

Given all of that and given the information is in the public domain, Minister, can you talk to us about where your area or your level of satisfaction is with the current performance against the

contract? Are there any particular areas where you have concerns that it is weaker in terms of its performance that you will be focusing in on over the next quarter?

The Minister for Sustainable Economic Development:

As I said, I was not in the most recent quarterly meeting, so there have been figures given that I have not seen yet, but the figures that I was last given about a month ago about the actual reliability and the punctuality of the sailings, I thought were very good. I think in the second quarter - I think it was the second quarter - there was only a couple of delays and that kind of carried through. So from that perspective I have been pleased. I am very pleased to see replacement of the Arrow with Caesarea Trader. That has made a big difference to freight turnarounds and helped freight be on time, so freight is in a much better place now than it was when we had the Arrow. The Arrow is a vessel that has just been used for contingency in Jersey for a decade, so it is no stranger to our waters. Condor used it as their contingency when their vessels were in maintenance and things like this, but it is one of those boats that can do the job but it does not do it brilliantly and it takes longer, et cetera, to turn around, things like this, and it does not carry as much. So the fact that DFDS invested in the Caesarea Trader in order to move on the Arrow, because the Arrow was not cutting the mustard, so to speak, I think again shows their commitment to the routes. It has made a big difference to freight and it has meant that their freight sailings are now much better from a reliability and punctuality perspective as well.

Deputy K.M. Wilson:

Are there any areas at this moment in time that you have anxiety or concern about in terms of underperformance against the agreement we have with DFDS?

The Minister for Sustainable Economic Development:

I am trying to think of where I have been shown underperformance. I do not ... and this is where I do look to officers. If you have just been told something about underperformance, please do let me know. The main underperformance was financial and so that was in 2025, particularly on the southern route to Saint-Malo and back. We knew that would happen regardless of who was chosen; DFDS or Condor, it did not matter. Guernsey were always going to have, under the joint tender process, direct sailings from Saint-Malo to Guernsey, which they did not have in the previous agreement. That meant that there was always going to be traffic that no longer came to Jersey but was going to go to Guernsey directly, so we knew that there was going to be a hit there. But that said, ultimately that did lead to a financial underperformance in 2025, which is something that is the whole point of that quarterly meeting. We can then make adjustments in the contract, these levers that we have talked about, everything from pricing to delaying investment and the other levers. That is exactly what they are there for. What I have made very clear is that there is a large marketing effort that needs to take place, so before jumping to a lever, what has been

important is that the marketing is in place to try to attract those customers back. We were always going to lose customers in Guernsey. That is fine and I am really pleased that Guernsey has those customers. It is right that Guernsey has direct Saint-Malo-Guernsey sailings, that is why we were happy to put it in, but it was always going to be a loss to Jersey's economy as a result. Our job is to win customers back and win new customers to visiting Jersey, so there is going to be a big marketing effort. Visit Jersey and DFDS are both aligned to really pushing to Saint-Malo this year and we are going to see that happening.

Deputy K.M. Wilson:

Do you have some forecasts and some predictions as to what it is you would want to see or wish to see that would address that financial return?

The Minister for Sustainable Economic Development:

Yes. What I wanted to see is a heavier point in marketing. I think one of the other aspects that was delayed last year was marketing, particularly in France, and the group side as well, that was affected by it. We know that DFDS, as I said earlier, have more groups booked now than they did for the whole of 2025, so I can say, for my part, particularly that they have sold their marketing for groups, and that is really good. The marketing for Saint-Malo itself and France will really kick in in March and it remains to be seen whether that works or not, but I am very hopeful. Certainly from Saint-Malo's perspective itself as a port, it really wants to see the Jersey route grow and so I am really pleased that Saint-Malo is behind growth in the Jersey route as well.

Chief Officer, Department for the Economy:

I would also say it is an operator that is listening. There were some early challenges with freight, partly around the Arrow, partly around the stevedoring arrangements at Portsmouth. So DFDS invested in more tugs being available, more staff being available for the stevedoring operation at Portsmouth to provide a faster discharge and turnaround of the vessel. The Levante Jet, some of the customer feedback was that she felt a bit tired on board in terms of the seats and so on. When she drydocks over this winter period, there is a significant investment going into upgrading the passenger space on Levante Jet. So we are seeing an operator that is listening to feedback and responding to it and wants to do the right thing by the Island. They buy significant amounts of local produce in terms of the onboard food that is sold. There is a number of things that they are doing that from our perspective to build the value and the relationship with the Island and deliver the service that Islanders want to see.

The Minister for Sustainable Economic Development:

I am sorry, I have to say I cannot tell you how important that is. We have a partner who sits down and talks and listens. I am really sorry, that was not the case over the past few years. We did not have a partner who listened and that has now changed and I cannot understate the value of that.

Deputy K.M. Wilson:

If I may just finish these 2 areas. The feedback seems to be on the quality of the experience that people are having. What you are talking about is that there is an operator who is listening to that customer experience. It says in the K.P.I.s that ... sorry, within the concession agreement, there are references to passenger call centre call answer rates and passenger email response rates, but we have received a number of submissions indicating that there is no customer service available in the Island. How are we getting that feedback? How is that happening?

Chief Officer, Department for the Economy:

That is not accurate, fundamentally. First and foremost, DFDS has a properly manned office down at St. Helier harbour during the course of the day and around the sailings. They are accessible. We have a litany of stories the Harbour Master could tell you of cancellations from the previous operator and no Condor staff being available to deal with them and Ports of Jersey staff then having to arrange hotels for Island visitors because the ferry operator has just gone missing. That is not acceptable in terms of visitor experience and it is not acceptable in terms of the operator that we want to do business with. DFDS do have staff on hand to be able to deal with those things personally. Also they have their call centre operations. They are calling customers in advance of sailings to see if there are any special needs that the customer has ahead of the sailing so those can be properly attended to. There is also an overflow arrangement from the call centre at peak times. Overflowing customer service staff who are here in St. Helier are able to take those calls and to respond to them as well.

Deputy K.M. Wilson:

So there is a 24-hour response available?

Sector Lead, Aviation and Maritime, Department for the Economy:

We are sighted on that. We do collect that data. There is a set of non-critical K.P.I.s as well: the percentage of call centre calls answered, responded to within 48 hours, website availability, complaints responded to within less than a month. These are all built into our reporting regime and we are sighted on the associated metrics.

Deputy K.M. Wilson:

That is the issue, as I was talking about before. Given that there has been a big message about transparency and engaging with the passenger on this, are those metrics and is that performance reporting there so that the public can see and have confidence in ...

Chief Officer, Department for the Economy:

We do have that model working with DFDS on setting appropriate benchmarks around a net promoter score. I think there is lots of anecdotal feedback either in chats or on social media and so on. We would strongly encourage people to fill out the questionnaires that DFDS may give them either on board or as a post-sailing questionnaire request that comes through as email.

[14:30]

Then the data is compiled in a proper fashion statistically and presented back to us. It gives that richer data around what the net promoter score is on the routes.

Deputy K.M. Wilson:

I think that is the message, which is the public want to see those performance measures and what kind of feedback they are getting.

Chief Officer, Department for the Economy:

They need to write the questionnaires. We really want people to write the questionnaires and that gives us the best handle on service. Rather than anecdotes, it collects it then in a much more structured way, which is really helpful.

The Minister for Sustainable Economic Development:

Would you like me to read a couple of the stats which I have not seen but ...

Deputy K.M. Wilson:

No, that is okay, just for time, but thank you for that.

The Minister for Sustainable Economic Development:

There are no reds. They are all green and orange.

Deputy K.M. Wilson:

Thank you. We will have a look at that. Finally from me, there are variable K.P.I.s obviously that you can build into this. What we wanted to know is, based on what those performance metrics are giving you around the experience that people are having and the functionality that is built into the contract, is there scope within the concession agreement to vary those and is there also scope within the agreement to modify the performance requirement that you have of the operator?

Chief Officer, Department for the Economy:

Can you give an example of what sort of modification you are thinking of?

Deputy K.M. Wilson:

I am picking out really in terms of what you said in the concession agreement, which is that only the service levels of the variable K.P.I.s should be subject to review. What we are trying to understand is what do you meant by that? Does that mean that you can vary the performance of the contract subject to the feedback that you are getting or are there other levers, financial or extraneous issues, that may well affect the performance of the contract that you can create the variation to the concession agreement and how transparent will that be and when might we see something like that happen?

Chief Officer, Department for the Economy:

If we vary the contract, the part of the contract that is varied it goes back into the public domain, just as the current concession agreement is in the public domain. That gives the public a view of what we have contractually agreed with the operator. We should, by the end of 2028, see the first of the new vessels on the routes. That will be brand-new investment. We would expect to see a correlating pick-up in the net promoter score for the routes that that vessel is serving commensurate with that kind of investment. We have the ability to move those things up and DFDS are in exactly the same position. They want to keep stretching, keep delivering, keep getting better. It is not a Jersey vessel that is a take it or leave it service and I think the investment that is being made in Levante Jet during this drydocking season is a testimony to that. We are receiving the feedback. The feedback is critical of some of that soft product aspect on Levante Jet, which is why they are making the investment over the winter to improve that for the season ahead.

The Minister for Sustainable Economic Development:

As I say I know we are only 10 months in and we have only had a couple of quarterly meetings but so far DFDS are giving us every indication that when it comes to something like: "Hold on sec, we need to discuss the K.P.I.s around net promoter scores, for example, we think they are too low." In a sense, it is too easy passing them something like this. Every indication has been given by DFDS that they are happy to engage in those sorts of conversations about changing where we need to change. I am really pleased. Mr. Parker showed me just about a month ago - or earlier this month, it was - their net promoter scores, so I think it is really interesting. Certainly for the first 6 months, they were getting poor net promoter scores. Then, I am going off memory, so it was about 6 months in, say September, October time, that sort of thing, their net promoter scores changed significantly.

Deputy M. Tadier:

Can you tell us what is a net promoter score, just for those listening?

The Minister for Sustainable Economic Development:

Net promoter score is effectively feedback from your customers about whether they would recommend the service onwards to somebody else. I know in Jersey ... Visit Jersey always tells me in Jersey we have a net promoter score of over 70, which is classed as outstanding or excellent, those sorts of things. So even a net promoter score of 50 is doing well, as I understand it. Certainly, their net promoter scores that I saw - I could not give you the numbers - they had all swung from either negative or zero to heavily positive across the board, which is really good.

Deputy M. Tadier:

Okay. We will move on, if that is all right. Thank you, Deputy. I am going to jump to an issue about scheduling. Three of the biggest complaints that we have received as a panel during this submissions process is that the first is around scheduling, particularly about the length of trips to Saint-Malo. The second is around pricing, saying that it is too expensive and there is no frequent traveller. The report we heard from the media did seem to chime with a lot of our comments that we have had. The third was quality of boats, which I think you have touched on already. If I can also add that it is not just members of the public who seem to have disquiet. I did notice the comments of your Chief Minister, or indeed our Chief Minister, depending on which way you look at it.

The Minister for Sustainable Economic Development:

I was going to say, I think we share it. It is a shared resource.

Deputy M. Tadier:

Although we are not Ministers, of course. The Chief Minister said that he would like to see DFDS to speed up the boat to Saint-Malo and just try a bit harder to work with Brittany Ferries to provide more comprehensive inter-island links. If we just look at the scheduling for now, Minister, we note that in December last year, DFDS announced that it will be able to offer an enhanced sailing schedule to and from France this year. But shortly after that, when Brittany Ferries confirmed that it had secured a conflicting timeslot, this resulted in DFDS being moved to a different slot to the original one proposed. Could you explain the process that resulted in this outcome?

The Minister for Sustainable Economic Development:

In what outcome?

Deputy M. Tadier:

Can you confirm if that is the correct ...

The Minister for Sustainable Economic Development:

Yes, but I think that is the point that I am making. Is that a media story you are reading from?

Deputy M. Tadier:

No, I do not think so. Could you explain whether DFDS was able to secure the slots? I think that is the information we have also received from ...

Chief Officer, Department for the Economy:

DFDS has secured the 7.30 slot out of Saint-Malo until I think the end of March and there is further discussions ongoing with the port.

Deputy M. Tadier:

What about sailings from Jersey to Saint-Malo? Do we know what times?

The Minister for Sustainable Economic Development:

They will then come in, turn around and go back again. I think it is interesting, and I remember this from 10 years ago when Condor were operating services, again not a criticism on Condor at all. This is very much about the tension between Islanders' desires for day trips and ultimately the economy's benefit from incoming visitors. There has always been a tension between the time the vessel starts in Saint-Malo and obviously the time it can therefore turn around and leave Jersey. I think 7.30 is pretty much the sweet spot because, any earlier, if you are leaving Saint-Malo earlier than 7.30, then passengers in Saint-Malo have to start to get up at very, very early times, kind of 5.00 a.m. in order to get to the boat and wait 40 minutes and all the rest of it. If you leave it later in Saint-Malo, then obviously you are really knocking out any chance of a day trip. A 7.30 slot, to me, that creates the best balance that we can get. There will always be that tension, ultimately. Last year, because of delays in the tender process, yes, it meant that DFDS were at a disadvantage, but I believe Saint-Malo is a commercial port. It needs passengers. Outside of U.K. destinations, Jersey is its biggest destination in the Channel Islands and Saint-Malo needs those passengers to flow in and out of its port. So I think Saint-Malo values the Jersey service and as a result, we see a 7.30 slot as a really good place for us to be.

Deputy M. Tadier:

The question that arises from that, I suppose, the first one is: the Island authority, I understand, has to have some input into the scheduling. Is that correct, in terms of the timetabling?

Chief Officer, Department for the Economy:

To ensure that it is compliant with the concession agreement, yes.

Deputy M. Tadier:

Has there been any thought to what consultation might be done or might have been done in deciding what time boats should leave from Jersey? But also, in fact, the other big feedback we are getting is not so much the time that boats are leaving, but it is the length of time it takes to get from Jersey to Saint-Malo, which I understand this year, it is going to be 1 hour 55. That seems to be unacceptably long for a lot of Jersey people.

The Minister for Sustainable Economic Development:

I ask this as a genuine question. What do we think it was previously?

Deputy M. Tadier:

I recall it ... I remember ... I know you, Minister, worked for Condor. So did I, for a brief while.

The Minister for Sustainable Economic Development:

I never was employed by Condor.

Deputy M. Tadier:

Never employed. Okay. I worked for Condor and I certainly remember, even recently, that an hour was standard, an hour 5.

The Minister for Sustainable Economic Development:

I was going to say, I remember an hour 30.

Deputy M. Tadier:

An hour 30 would have seemed like a long time, but I think more recently, when you get to 2 hours, we are getting complaints that it is taking people an hour to get off the boat. You have then got to queue at the passports and by the time ... especially if it is a day trip, but if are travelling on later in the evening, you have to then stay in Saint-Malo, so that is incurring extra costs. Do you have any concerns?

The Minister for Sustainable Economic Development:

Sorry, I did not mean to cut you off. Apologies. I have travelled to Saint-Malo many times over the past year on the boat. It has been pretty much 1 hour 50 to 2 hours every single time. My understanding ... I do not remember it being an hour and 5 or an hour and 10. I remember it being an hour and a half. My understanding for the decision is twofold. One is, ultimately, it is more efficient. So you are reducing cost of that, but also you are reducing ...

Deputy M. Tadier:

Efficient in what way?

The Minister for Sustainable Economic Development:

As in, you are using less fuel. As with any engine, there are cruising speeds which give you the best efficiency, fuel used versus performance and speed. So the 29 knots is pretty much where they want to be for that. It reduces emissions and it also reduces fuel, but it also protects the engines. We have seen in the past with high-speed craft that engines can go, I know ...

Deputy M. Tadier:

They are already quite old engines, I take it.

The Minister for Sustainable Economic Development:

Yes, but this is why we are getting a new vessel.

Deputy M. Tadier:

Are they sailing on 3 engines instead of 4?

The Minister for Sustainable Economic Development:

They have done. I believe they are sailing on 4 at the moment. Do not hold me to this, I could not tell you.

Chief Officer, Department for the Economy:

They have just done a full engine replacement on the Tarifa Jet over the drydocking period.

The Minister for Sustainable Economic Development:

I think, again, this is where there is a lot ... I understand that change is uncomfortable for people but ...

Deputy M. Tadier:

The Chief Minister is also saying that he does not find it acceptable that the ferries are so slow to France.

The Minister for Sustainable Economic Development:

Fine for the Chief Minister, but this is a long-term contract with long-term aims and so the performance in the first year is very important. The types of boats they are using is important. But ultimately, when we talk about an older boat, that will be replaced by the end of 2028 with a brand-

new boat. That was something we could not have before. We did not have any promises of ... previous to going into the tender process. So before going into the tender process, we had no promises about any investment in new fleet. It is difficult in a political world because people are understandably focused on today, but we do have to look at the long-term picture. What we have done here is secure new vessel. That will not be a vessel that is bought second-hand from somebody else. It will be a brand-new vessel designed entirely for these waters that it is to serve.

Deputy M. Tadier:

So can we talk about today? So in terms of the scheduling options, is there an opportunity to sit down with DFDS and say to them, from your point of view, we would like to maybe look at different times that work better? If it is the case that more French tourists are going to Guernsey and not to Jersey, and that there is still that high demand for an improved ... you know, efficiency can be seen from 2 ways. It might be more fuel efficient to run at a slow speed but it is less time efficient maybe for Jersey people travelling on to other destinations, who then have to stay in accommodation in Saint-Malo. Is there an opportunity to revisit the scheduling and to have an input to be flexible to the feedback that you are getting?

The Minister for Sustainable Economic Development:

There is only ... yes, always listen to feedback. I think we are kind of caught. It would be very difficult for a boat to leave Saint-Malo earlier. It would be really difficult for that to happen.

Deputy M. Tadier:

But it could leave Jersey earlier. We could do it the other way around. It could leave Jersey earlier and then come back from Saint-Malo later?

The Minister for Sustainable Economic Development:

But the Saint-Malo ... it stays overnight in Saint-Malo. There are various reasons for that. Condor does exactly the same. It stays overnight in Saint-Malo, so it starts in Saint-Malo in the morning. So that is your starting point. It then comes here, it turns around as quickly as possible and goes back again to Saint-Malo. Ultimately, that cannot change in terms of that is the way the routing works. Yes, they could push the French start time to 7.00, 6.30 a.m., but you will lose large amounts of French tourists that way. So it is a balance and I do think 7.30 is about the right balance.

Deputy M. Tadier:

But to answer the question, is it possible to revisit the scheduling to ask DFDS to put on faster ferries as well?

The Minister for Sustainable Economic Development:

In fact, I have had that conversation with them recently about: “Please, can you speed it up with another 10 minutes, even just another 10 minutes, something like this?” So that is something we do ask, but again it is limited by the capacity of the vessels. So the vessels have to be able to do that. The vessels, I believe, travel at 29 knots or thereabouts. The journey, every time I have done it, has been very smooth and very good. I really hope as we go into the year ahead that Islanders will see the benefit of the timings for their day trips to France. I think what we should see this year is better day trips to France for Islanders. That is the big thing that I have wanted and I believe we will get that this year.

Deputy M. Tadier:

For Jersey Islanders?

Minister for Sustainable Economic Development:

For Jersey Islanders.

Deputy M. Tadier:

I am going to move on to the concession agreement and contractual obligations. This is question 7 for our reference, Panel. Minister, in their submission, the Jersey Farmers’ Union stated that, unfortunately, before the concession was awarded, no consultation with stakeholders took place, leading to unnecessary misunderstandings and a number of immediate course corrections being necessary. Could you provide any comment on this?

[14:45]

The Minister for Sustainable Economic Development:

I do not know exactly what they are, in the sense of I do not know what course corrections they are talk about exactly.

Deputy M. Tadier:

So let us not focus on the course corrections, but let us focus on the consultation. Was there consultation that took place with Jersey Farmers’ Union in Jersey before scheduling was talked about?

The Minister for Sustainable Economic Development:

I do not think there was. I have got to ... I do not think there was, particularly. I think that is one takeaway from this exercise is I will put my hand up and say I do not think we got all the consultation right around the tender. Just quickly, you can tell us in a second as to what consultation did happen, but I think it is somewhere that we have learned, certainly I have learned. But I think you can consult

in advance of the tender for the types of things that you want in that tender process. I do not think it is possible to take partners such as the Jersey Farmers' Union or retailers or anybody else into awarding that tender. I think that is where their own commercial interests start to trump kind of Government contracts. Prior to that, I think there is ...

Deputy M. Tadier:

Sure, I get that. So I think at this stage ... I think we are not talking about the tender award. We are talking about the contract and the scheduling and the S.L.A.s (service level agreements) and all of those things.

Chief Officer, Department for the Economy:

The point I was going to make is that the freight rotations are largely unchanged. In fact, if anything, they have much more freight capacity available to them now than ever before. So in terms of consultation, there is continuity of the freight schedule. The previous contract had 5 Ro-Ro and 5 Ro-Pax as the minimum requirement for Condor. We now have 6 Ro-Ro and 5 Ro-Pax as the minimum requirement for DFDS. So there is an additional sailing each week as a minimum contractual requirement than existed before.

Deputy M. Tadier:

Did Condor always only run 5 and 5 or did they ...

Chief Officer, Department for the Economy:

I am talking about the contractual requirements. DFDS may run additional sailings if it is commercially viable to do so. Clearly, running freight for one island is more questionable in terms of whether it is commercially viable or not.

Deputy M. Tadier:

I was just going to ask, we have had a lot of feedback about the cancellation of the Tuesday freight boat. Can you talk to us about that?

The Minister for Sustainable Economic Development:

Yes. So that again shows how there is always the ability to talk with these people, which is really good. I think again this is a learning point from my perspective and I have passed on to Richard and officers. There was, from DFDS's perspective, a need to adjust the service because of the financial requirements and the overcapacity in terms of freight, et cetera. But what I said needs to happen now is that when they identify something that needs change, the first step is to go and consult the stakeholders. When you have got the stakeholders in the right place, then bring the suggested change to Government. Then having seen that the stakeholders in the round are happy with that,

we can go ahead. The mistake this time, and I hold my hands up, was that DFDS came to us with that. I think it seemed like an understandable kind of change from our perspective. I asked them to go and consult afterwards. What I have said now is I want that to be the other way round so that consultation is done first and, therefore, impacts our minimised, or whatever the change may be, whether it is a price rise or schedule change or whatever it may be. What I am really pleased with is that as a result of the terms DFDS have reached out to stakeholders and they are coming back with a new proposal, as I understand it, that will help those stakeholders who are most affected by it. So, again, it shows the listening and the learning. I am not going to pretend that I have done this contract before, if you know what I mean. This is the first time, so I am learning as I go, but where I see places for me to learn, and hopefully whoever the next Minister is to learn from any mistakes that I have made, that is the right thing to do. So, I think we are in a much better place for those sorts of changes in the future.

Deputy K.M. Wilson

Thank you. Just to follow on from that, I think what we have heard is that there are or there have been some unintended consequences to that. Can you give us some confidence around the consultation process that you enter into? Do they talk about the downsides and the risks to manage expectations? It seems that some of the feedback is that people feel they have been promised a lot and that there has not been that experience coming through. So, we just want to understand, in pure consultation terms, rather than just trying to sell the benefits of what is it, is there a realistic engagement with the public about what the downsides are and what the risks are to some of the ways in which you have to operate within some of the constraints that you have got at the moment?

The Minister for Sustainable Economic Development:

Yes, I think ... how can I say this? I think we perhaps need to structure ongoing consultation to make sure that there is that ongoing consultation with the public and with key stakeholders. That is part of the DFDS's work on their own N.P.S. (net promoter scores) et cetera. They do take that information. They then share it with us to show what customers are saying. You have to deal in generalities. If I, today, have been put out and I am not happy about it, that does not necessarily mean that the other 100 people who sail today are not happy about it, but I am likely to be very miffed because I have been put out particularly by this. So we do have to look at the overall picture and not necessarily always at individual issues. As I have just said to the Chair, I think I am learning about that consultation. Again, I have to go back to there was so often no consultation with the previous operator, not even with Government, let alone with the operators. We were on the receiving end of things rather than ... what we can do now is change our approach, talk with DFDS regularly about what the best approach is, and that is exactly what we are doing and so that Tuesday sailing is a really good example where I understood: "Hold on a sec, when this was brought to my attention in October, I should have ..." and the hard thing about this job is you realise after the fact how you

could have done it better. So that is why I said that from now on, when there is a service change, do the consultation first, then come to Government and suggest the service change and show us what the consultation is, why the consultation is there due to that view rather than any other view. That is just a bit of learning on my part.

Deputy K.M. Wilson

It does say in the concession agreement that there is quite a lot of control with the operator. Do you foresee any concerns around the amount of control the operator has, even though you have a good relationship with them and you are trying to improve performance? Would they always have the autonomy to make the decision or will be able to have the final say in the decisions around how the operations are running?

The Minister for Sustainable Economic Development:

No, I do not. I would argue it is less ... I understand why there is a final say in that respect but, again, I cannot tell you how much better the contract is in terms of that consultation with us as with anyone else previously. Please correct me if I am wrong, but previously, there was ... consultation would be, at best, a letter telling us what was going to happen. That is not the case now. It is a case where even in any given scenario where something is to be changed, we can sit down and at the very least challenge them as to why that is the right change. Ultimately, I understand why there is a final say on their part in certain areas, and that is because of the investment that they are making. They cannot come out of a £300 million commitment having not received the funding to help provide that £300 million investment commitment. So I do understand that. They are the ones with that financial liability, not us. That is part of the contract, that the financial liability for investment rests with DFDS, it does not rest with the Government of Jersey or the people of Jersey. So I do understand why they have got to have that protection.

Chief Officer, Department for the Economy:

We did have, in the previous operating room of Condor, Condor's chief executive coming along and saying: "That is the schedule, and that is the schedule. There is no discussion, that is what we are doing. That is what we have to do." They were an organisation driven by, essentially, their commitments onwards to being a heavily indebted company and had to deliver a schedule that was purely efficient for them with no regard, necessarily, to the operating agreement. The operating agreement, as was, was pretty toothless in terms of enforceability as well, when things did go wrong, when it really mattered. You never hope to have to use the full powers in these agreements. There are plenty of powers in the concession agreement, should that need ever arise, but the quality of the dialogue that we are having now with DFDS is just light years away from that which we had before with the previous operator. The other point I think around scheduling is we have those 6 dedicated freight sailings every day. That is supplemented by the 5 Ro-Pax sailings. In DFDS

making a decision to remove the Tuesday sailing, they have looked at volumes over the course of the week and assessed that to be the one that had the minimal impact. That does not mean that no one is impacted. It just means that is what they have assessed to be the minimal impact. Of course, that has then created some noise. I do not doubt that any solution they come forward with, there will also be some noise, and one of those that is complaining about it seems to have easily adapted to having no evening arrivals at all in the other island and how that affects their retail operations and stocking over there. So it is very odd that we are seeing the criticism just in one island for the fact that one evening sailing has been taken out.

The Minister for Sustainable Economic Development:

We have vastly more freight sailings and freight capacity than Guernsey does, far, far more.

Deputy M. Tadier:

Guernsey is a smaller place, I suppose. Can I ask, I think there is a concern in people's minds, and I think we would all agree this, that this is not the optimal way to run a ferry. This is not what anyone wanted, but I think the intention was always to have one ferry operator between 2 islands to drive efficiencies, whether that is for tourism or for freight. We do not have that. When we see reactive things like reducing a freight sailing, which previously existed, and also ferries going slow because it is supposedly efficient, but maybe it is also to save money, that does start to bring into question - and it is reflected in some of the submissions - the viability of the 20-year contract, and whether or not enough money can be made by DFDS in a reduced marketplace to wash its face. Is that something which you have concerns about? Is it something which is future proofed in the agreement to allow for a break clause if either party, for example, sees that this is no longer working? What would the circumstances be and how would it operate if we wanted to revisit or break the contract?

Chief Officer, Department for the Economy:

A key part of the tender process was the financial resilience of the operator, and DFDS won that aspect of the tender hands down from Condor Ferries, and therefore DFDS was awarded the contract. So we have that financial resilience but, equally, they are not a charity. The routes they operate have to be profitable and in the case of Jersey, to support the level of investment that is being looked at over 20 years, it has to be creating the revenues and the profitability that justifies that level of capital being employed back into the business. I am not sure that is widely understood in a public sense, that any investment only comes from surplus profits typically, in terms of being sustainable and resilient in the long term.

Deputy M. Tadier:

We understand. I think most people do understand that, but what is the first casualty, if you like, of non-profitability? Is it going to be the reinvestment in the fleet, is that what you see as the ...

Chief Officer, Department for the Economy:

So there are lots of aspects when you look at ...

The Minister for Sustainable Economic Development:

I do not think it is possible to answer that question, in the sense of if that were to be brought to us because I think then ...

Deputy M. Tadier:

I think Richard was about to answer.

The Minister for Sustainable Economic Development:

No, well, I am jumping in. If that were to be brought to us as an issue, this is not financial viable, this contract is not working, that discussion would happen then. I could not pre-empt what levers would be pulled. That is why I was kind of like, there is no way I can sit here today and say that this would be the answer at some unknown future event.

Chief Officer, Department for the Economy:

There are so many variables.

Deputy M. Tadier:

Yes, but the upgrade of the fleet is presumably conditional and there is a caveat on profitability; is that correct?

Chief Officer, Department for the Economy:

Well, it is clearly in the contract.

The Minister for Sustainable Economic Development:

That is right.

Chief Officer, Department for the Economy:

So, we expect a level of investment, and there are levers within the contract that says if financial performance is not there, then we have to look scheduling, fares, we have to look at the level of investment, because the whole thing is a package. If you think of this as a box that has a fixed volume within the box, it can be a tall, thin box, it can be a short, stubby box, but the bottom line is, it still has to have the same volume. So, you can change the proportions, but it still has to fit the same amount in. That is really where we are. There is some flexibility in the contract to be able to adjust things over time. For example, new highspeed craft, we would be looking at that to be faster

than the one that is in place at the moment. It would be different technologies in terms of propulsion. That changes the cost model underneath, hopefully to a more efficient model. So there are lots of factors that can change over time and what we have tried to do with the concession agreement is build in sufficient flexibility for that to be able to change over time, and to ensure that we have got the visibility from the operator of exactly what is happening in real time. We had no visibility of the previous operator before, in a financial sense, until we got a letter from them saying: "We need £40 million and we need it in the next month, otherwise services are at risk."

Deputy K.M. Wilson:

Can I just follow that through, Richard? What is your plan around the pricing policy? Are you going to regulate and routinely review that approach?

Chief Officer, Department for the Economy:

We review every quarter.

Deputy K.M. Wilson:

Every quarter?

Chief Officer, Department for the Economy:

Every quarter for compliance with the contract.

Deputy K.M. Wilson:

Okay. So, again, managing expectations is that that could result in increased prices or reductions in prices for people who use the ferry service, both for freight and passenger service?

Chief Officer, Department for the Economy:

If we remove the requirement to invest £300 million, remove that altogether, then you fundamentally change the pricing dynamics of the whole contract. But then what you do is you place significant risk on the resilience of lifeline services when what you are saying is for the next 20 years, you are going to have a very old clapped-out fleet and just praying that it comes in every morning with the essential supplies that the Island needs to stock the shelves. That is a very big gamble. The reality is it is somewhere in between. You have got to create a service that is competitive; competitive for Islanders that want to get away, competitive for visitors that want to come, but also competitive in resilience to provide the lifeline services that we need in terms of freight as well. It is a complicated cocktail to try and blend.

[15:00]

The concession agreement tries to bring all of those factors together and gives us a space to move those dynamics over the life of the contract, without it breaking. It has a process that if we disagree, we can clearly see how we would disagree and how we would look to a resolution of that situation. The most important aspect, which is not in the contract, is the currency of the relationship and, as the Minister has referenced, the quality of the dialogue that we enjoy with them at all levels of the group, around day-to-day operations and their commitment to deliver the service that Islanders want.

Deputy M.B. Andrews:

Minister, before me I have the connectivity concession agreement. I just wanted your view, one year on from the agreement being signed, whether there is any parts of the agreement that you feel maybe remain inadequate or if there is maybe areas that are not part of the agreement that potentially should be part of the agreement in future?

The Minister for Sustainable Economic Development:

I think, and I still do not think it could ever have been part of this agreement, because this is for a Jersey-only service, but something stronger on inter-island, there is no question. The one thing I still feel is missing, and every day I feel it, is that inter-island part, inter-island car ferry sailing. I am really pleased, speaking to DFDS in the last couple of days, that they are going to be presenting a proposal ... well, they have now told us what the proposal is for a Friday evening sailing from Jersey to Guernsey and then on to Portsmouth, and then a Monday sailing - I cannot remember if it is morning or evening - from Portsmouth to Guernsey and then on to Jersey, using the Stena Vinga. So that proposal will go forward. We are really pleased with that. That will go forward to Guernsey, and I hope Guernsey can look favourably upon that as well, but that is the proposal as I have been briefed it very recently.

Deputy M. Tadier:

Just a very quick question, will they be able to pick up passengers in Guernsey?

The Minister for Sustainable Economic Development:

No.

Chief Officer, Department for the Economy:

No. So, it will be passengers from Jersey going into Guernsey. It will not be able to collect in Guernsey to carry on northbound and then on the Monday return, it will not be able to drop passengers into Guernsey. It will only be able to pick up in Guernsey to bring passengers back to Jersey, so only the inter-island functions.

Deputy M. Tadier:

But only the ones that have booked to go over? They cannot pick up new customers from ...

The Minister for Sustainable Economic Development:

No, that is to protect ... because I totally understand, and the previous president of the economic development committee in Guernsey made it very clear to me, on more than one occasion, that, as far as inter-island services were concerned, he was always worried about leakage, so exactly DFDS picking up Brittany Ferries passengers to take them to Portsmouth. That would obviously reduce Brittany Ferries' returns in Guernsey and that would be an impact for them. I totally understand that concern, so the only way inter-island can work is that DFDS cannot be marketing to take people from Guernsey to Portsmouth, for that leg, because that would be harming Brittany Ferries and that would be inappropriate. So, no, it is very much just that inter-island bit and similarly freight cannot pass through. You cannot tranship via Jersey to get it to Guernsey. It has to be Jersey originating freight going to Guernsey. That is something that the previous economic development president in Guernsey was very clear that he was worried about, was about this leakage, and so I want to honour their concerns because I do not want to hurt their contracts in any way at all. So, it will just be inter-island in that respect for the actual travelling passengers.

Deputy M.B. Andrews:

When we had the chief executive officer of DFDS come before the panel, we spoke about the impact of the under-21's Muratti and some businesses mentioned about how they were struggling to their next sport. So just with this new arrangement that has been proposed, is there going to be any impact on freight, or is it going to be absolutely fine because it is going to Guernsey and then heading to the U.K.?

The Minister for Sustainable Economic Development:

It should not have any real measurable impact. One of the problems with this year, and the reason that DFDS ultimately did not do many inter-island sailings, was because they had been put in a situation where the only vessel they could really use was the Tarifa Jet. That is quite simply down to cost, et cetera. They were basically losing up to 700 French passengers and bringing over kind of 20 passengers for inter-island, so the losses were enormous and, therefore, the cost to Jersey, to the contract, was enormous. By using the Stena Vinga, which does the long leg between here and Portsmouth, pulling into Guernsey one direction and back into Guernsey in the other direction, not taking Guernsey passengers, it absolutely reduces the costs, from a DFDS perspective, enormously, and reduces the impact on Jersey's own tourism industry in a positive way.

Deputy M. Tadier:

How long does that add to the journey?

The Minister for Sustainable Economic Development:

I think it is about 2½ hours.

Deputy M. Tadier:

So, what is the total length of the ...

The Minister for Sustainable Economic Development:

Off the top of my head, I do not know, but what I do know is it will end up being exactly the same as it has been in Jersey for many years. The previous incumbent always used to do Jersey-Guernsey-Portsmouth, Portsmouth-Guernsey-Jersey and we are doing exactly the same as that. On the overnight sailing from Jersey to Portsmouth, that is not very much impacted at all because the boat gets there quite early already. I do believe it will be pulling into Portsmouth at the same time, or thereabouts, about 6.00 a.m. I think it will still be pulling into Portsmouth at that time. I have not seen the times to know whether ...

Chief Officer, Department for the Economy:

The bottom line is everything is a compromise. If you want more, you are not going to go out and charter a vessel just to do inter-island, so it has to be a compromise. You either lose French rotations or you have an extra couple of hours on the journey going northbound, but worse case scenario with this Friday-Monday solution is that on those 2 days, the Friday evening northbound and the Monday southbound, you are back to the crossing times that we used to have under the previous contract.

Deputy M.B. Andrews:

Can I just ask, Minister, are the Guernsey authorities, such as your counterpart, aware of this proposal or not as yet?

The Minister for Sustainable Economic Development:

Not that I am aware of at the moment, but obviously I want to fast forward it to them so we can get it approved at their end as quickly as possible.

Deputy M. Tadier:

There is a potential issue about lack of capacity in this. If it is peak times and you have got a full boat, and you are having to take car passengers that are only going Jersey to Guernsey and you cannot pick any up in Guernsey, you are potentially losing out on a lot of revenue.

The Minister for Sustainable Economic Development:

That is correct, yes.

Chief Officer, Department for the Economy:

Well, DFDS has had to decide there is adequate capacity. As I said, there is plenty of lane metres of capacity on their Ro-Pax and Ro-Ro services. So, for that Ro-Pax sailing, they are satisfied there is adequate capacity. The demand for inter-island sailings is very, very modest.

Deputy M. Tadier:

What does it do for freight in between the islands? One of the issues we are having is that you cannot get freight between the islands easily.

Chief Officer, Department for the Economy:

Well, there are Ro-Ro sailings between the islands, so you can get freight between the islands, but in terms of Brittany Ferries is doing a weekly rotation, DFDS will now also have a weekly rotation in place as well.

Deputy M. Tadier:

You can get Ro-Ro but that is not with DFDS?

The Minister for Sustainable Economic Development:

No, it is with other operators.

Chief Officer, Department for the Economy:

No, Channel Shipping and so on.

The Minister for Sustainable Economic Development

Brittany Ferries do Wednesday sailings today. If the Friday and Monday sailings go ahead, then you will have inter-island sailings 3 days a week, Friday, Monday, Wednesday.

Deputy M. Tadier:

But they will not be day trips?

Chief Officer, Department for the Economy:

There are day trips with Aurigny and there would have been also with Loganair as well.

The Minister for Sustainable Economic Development:

And Islands Unlimited.

Chief Officer, Department for the Economy:

If Islands Unlimited come on to the routes.

Deputy M. Tadier:

Not for vehicles, so you could not go for a sporting event, for example, take the mini-bus?

Chief Officer, Department for the Economy:

No, only on the weekend potentially and then come back on the Monday.

The Minister for Sustainable Economic Development:

The point there is, and we know ... I really do feel for people who want to go to dog shows in Guernsey and people who want to go to horse shows and people who want to do motor sport, and vice versa, but this way you will be able to travel out on the Monday for your event on the Saturday ... sorry, travel out on the Friday for events on the Saturday or Sunday and come back on the Monday with your horse, with your dogs, with your cars or your motorbikes, I think. The Friday and the Monday, to me, makes a lot of sense for that weekend sporting events and community events situation. I think Thomas wanted to say something.

Sector Lead, Aviation and Maritime, Department for the Economy:

Just to pick up on the Chair's question there, we raised the capacity planning point with DFDS at the most recent monitoring committee, and they are satisfied, and we are satisfied that they can properly balance that capacity demand. If they had foresight on there being greater demand to reach the U.K., reach Portsmouth from Jersey, they can build in booking capacity accordingly to ensure that is properly reflected and balanced.

Deputy M. Tadier:

Do you envisage that if this were to become established and reciprocal, that there might be a quid pro quo where Guernsey and Jersey might say you can take on board passengers as long as it is reciprocal and limited?

The Minister for Sustainable Economic Development:

I think that is a development that would be worth looking at. I am, from the top of my head here, this is not anything that I have discussed previously, but we see on airlines code sharing, so to speak, and I do not know a lot about code sharing but I assume money follows that to some extent as well. Could we get to a situation where revenues are shared on that inter-island bit, which then takes away the fear of that competition? I do not know; it is possible. We will see where we go, but again we will be open to any conversations on that front. DFDS, I imagine, will be open. They may have objections, I do not know. Brittany Ferries may have objections, I do not know. But these things are always open for discussion, and I can understand that there might be solutions, as you suggest, Chair.

Deputy M. Tadier:

Thank you, Minister. I think we are at the end of our allotted time. There are still some questions remaining, which we can probably submit to you via writing, if that is okay, unless there are any final burning issues.

Deputy K.M. Wilson:

No.

Deputy M.B. Andrews:

No, thank you.

Deputy M. Tadier:

Right. Thank you for your time.

[15:09]