

## **2.9 Deputy J.A. Martin of the Minister for Economic Development regarding the terms of reference for the review of the Jersey Competition Regulatory Authority:**

Would the Minister advise the Assembly whether the terms of reference for the review of the Jersey Competition Regulatory Authority by the National Audit Office have been finalised, and if so, what they are, when the review is due to start and when the States can expect to receive the findings?

### **Senator P.F.C. Ozouf (The Minister for Economic Development):**

The terms of reference are about to be finalised following discussions with both the J.C.R.A. and the Scrutiny Panel. The draft terms of reference and which were reported in P.153/2007 were designed to fill a broad spectrum analysis and in the light of correspondence from the Economic Affairs Scrutiny Panel it is obviously imperative, in our joint view, that the terms of reference concentrate on telecommunications regulations and the J.C.R.A.'s level and range of resources and legislation available to regulate that sector. I expect the revised terms of reference to be agreed before Christmas and the final report to be delivered in the earliest possible course in 2008.

### **2.9.1 Deputy G.P. Southern:**

When the Minister refers to agreeing the terms of reference, does he include the Economic Affairs Scrutiny Panel in that agreement?

### **Senator P.F.C. Ozouf:**

I am happy to go as far as to consult with the Economic Affairs Scrutiny Panel but my understanding is that ultimately it is for me to decide on what the terms of reference of the review are to be but I am happy to consult with the panel.

### **2.9.2 Deputy S.C. Ferguson:**

Is the House to assume that this report was commissioned by the Minister for Economic Development? Would he perhaps like to tell us who is paying, whether it has been costed and how much it will cost?

### **Senator P.F.C. Ozouf:**

I can advise that the review of the J.C.R.A. was catalysed by the discussion concerning the future of the Jersey Telecom entity in whether or not that was going to be sold by the States and I think that Members wish to have assurance that the J.C.R.A. is fit for purpose with the necessary legislative instruments in order to carry out proper regulations, but the responsibility of dealing with Telecom matters falls to the Minister for Economic Development so, therefore, I have to sign off on the terms of reference. In respect of costs, no, they have not been agreed and I have to also say that I have not made the final decision of whether or not the National Audit Office is to be the entity which is carrying out the review.

### **2.9.3 Deputy J.A. Martin:**

Well, if it is going to be the National Audit Office, Sir, can the Minister assure us that he takes the information there personally by courier? **[Laughter]**. But my question is, Sir, that in the last answer the Minister said that the report, if it goes ahead and by whom, will be delivered some time, I think, he said late January. Is the Minister, after what he has just said, the House, the States, the people of the Island need reassurances about the J.C.R.A., is he still in agreement with the Treasury Minister that we have the debate on the selling off of Telecom on 15th January? Thank you, Sir.

### **Senator P.F.C. Ozouf:**

I regard the J.C.R.A. as fit for purpose, however, all organisations should be subject to a review after a suitable period of time and it is perfectly appropriate that we look again at the telecoms law, we look at the resources of the J.C.R.A. and we ensure that they are fit for purpose. I would frankly be doing this in any event after a number of years of the successful operation of the telecommunications law and I think what I did say is, as early as possible in 2008. I am getting on

with the job that I am charged with in dealing with telecommunications regulations and the States will make their decision in respect of J.T. (Jersey Telecom), no doubt having regard to the views that they have in respect of the J.C.R.A.

**2.9.4 Deputy G.P. Southern:**

Does the Minister not consider that it is absolutely essential to have the national audit of this report on J.C.R.A. and its powers before us before we debate the Telecom sale because otherwise we shall be debating it blind, and does he believe an adequate report can be produced in the timescale to allow that before 15th January?

**Senator P.F.C. Ozouf:**

I believe the States can make decisions in respect to the future ownership of J.T. knowing what they know now in respect of the J.C.R.A., which is an organisation which is fit for purpose. The Deputy will also be aware, I am sure, that I have also asked for law drafting to be made available and, indeed, that is currently going on in respect of giving the J.C.R.A. fining powers. So, irrespective of a report, and whether or not it is from the National Audit Office, we are continuing with the work to reviewing the powers of the J.C.R.A. and improving them, where necessary.

**2.9.5 Deputy J.A. Martin:**

Sorry, Sir, I obviously did not get a straight answer about the collaboration between the Ministers but the Minister does keep assuring this House he is absolutely fine with the powers and the regulations that the J.C.R.A. already have. It was reported on the report from O.X.E.R.A. (Oxford Economics Research Associates) that there are quite a few things that need to be addressed and that would be addressed hopefully when they are looked at by the National Audit Office. So, I do not think the House, Sir, I am asking the Minister, is in a full position until we are as assured, as he is assured, by an outside body, be it the National Audit Office or not.

**Senator P.F.C. Ozouf:**

The O.X.E.R.A. report gave some very helpful conclusions in respect of telecommunications and in respect of issues such as fining. I agree with that. I have said my position in respect of both telecommunications law and the competition law is that they are evolving bits of legislation which will have more teeth in due course. There is a fine example of putting more teeth in the powers of the J.C.R.A. and giving them a fining provision. That is all part of the process that is the natural evolution of the regulatory framework and I believe that this Assembly should have confidence that that is being done and the J.C.R.A. with the powers that they currently have, is doing a good job.

**The Bailiff:**

Final supplementary, Deputy, please.

**2.9.6 Deputy G.P. Southern:**

Does the Minister accept the findings of the Scrutiny report which stated that the powers of the J.C.R.A. must be amended before the sale of Jersey Telecom and is he, in fact, going to come to the House saying: "Trust my judgment and sell Jersey Telecom"?

**Senator P.F.C. Ozouf:**

I would remind the Deputy that the proposition before the Assembly in respect of the sale of J.T. is a 2-stage process. The first one is to agree the principles and then the Treasury Minister, if that is agreed, needs to come back with the detail. So, in fact, the Assembly has a number of months in order to then consider the interim bits of legislation which I will be proposing in respect of fining to receive whatever outside body report we have on the J.C.R.A. so that final decision can be made with full confidence.