

### **3.11 Deputy R.G. Le Hérissier of the Minister for Treasury and Resources regarding the future of the Gigabit Jersey project following staff redundancies at the company subcontracted to roll out the scheme:**

As the shareholder representative, what lessons, if any, has the Minister learned from the Gigabit Jersey project and how will the project be taken forward in the light of staff redundancies at the company subcontracted to roll out the scheme?

#### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

As Members will be aware, while the laying of the fibre optic network has progressed well, connections to homes fell short of the original targets. This issue is now being dealt with by J.T. (Jersey Telecom) and the main contractor has dismissed its subcontractor and put alternative arrangements in place. J.T. have signed a new improved agreement with their primary contractor, CH2M Hill. J.T. anticipate that the new agreement will significantly increase the rate of connections to the new fibre optic network and bring the project back up to speed. As far as lessons are concerned, as with all projects, there are always things to be learned because issues will arise. It is, of course, in the handling of problems that the judgments should be made about performance. In this case, I have learned 3 things. Firstly, the memorandum of understanding between J.T. and the States as shareholder has worked well in a situation where a problem has arisen and Members who attended the briefing last night I think will be in no doubt of the fact that the J.T. Board has responded quickly and robustly to deal with the problems that have arisen. Secondly, both J.T. and their main contractor, CH2M Hill, are absolutely committed to this project. Thirdly, I have learned that Gigabit Jersey project, while certainly having some rollout issues, remains absolutely essential and an important investment for the Island's economic future prosperity. The redundancies by the subcontractor are of course regrettable, particularly for the individuals and their families. What I think also should however be said is that the project is continuing as planned and the same amount of work has to be done. J.T. are working with Social Security and have placed recruitment adverts in order to find the necessary people to recruit. I am advised that many people on Social Security's register have already applied to continue the work on Gigabit Jersey project and I am also advised that J.T. are now recruiting staff directly.

#### **3.11.1 Deputy R.G. Le Hérissier:**

While the legal issues are such that the same 100 cannot be necessarily re-employed, would the Minister assure this House that every endeavour will be made within the law to indeed re-employ the 100 who have been given the impression that they were on secure contracts, who were introduced with considerable publicity as part of a Back to Work programme and now find themselves totally stranded?

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

The Deputy will be aware that there are appropriate things that I can say about the subcontractor and of course this is an issue between J.T.'s subcontractor, and I am limited in what I can say and what it is appropriate to say. Of course I was very concerned about the issue of redundancies and I shared those issues with the Minister for Social Security and Chief Minister and the Minister for Economic Development and I have been kept closely informed of developments by J.T. All I think I can safely say is that the work and project continues as planned and that individuals are required in large numbers to deliver that and I hope that message is clear for those individuals.

#### **3.11.2 The Connétable of St. John:**

Recently we have been getting flyers yet again from J.T. about people signing up for a free installation. Could the Minister tell the House what percentage to date of homes have been connected to the system?

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

The network across the Island, in fact the fibre spine, has been delivered extremely well and I have got some interesting statistics which I will circulate of just the scale of cabling. I think it is some 380 kilometres - I am sorry it is in kilometres - of cabling has been done and there are approximately 2,000 homes that have been connected. Under the revised arrangements, I am advised by J.T. that there is going to be a target of approximately 4,400 homes going to be connected by the end of this year and the project will then ramp up next year and it is a 5-year project and will therefore thereafter accelerate quickly. That was not the schedule that was originally given. It is homes connected that is delayed and that is what has been the focus of J.T. to ensure that there is a subcontractor in place that will deliver homes connected.

**3.11.3 Deputy M.R. Higgins:**

Just a request. Can we get it first, please?

[11:00]

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

I do not know. I do my best to answer shareholder questions but I am not a shadow director of J.T. and there are many Islanders that are equally frustrated. This is a great project for Jersey. People are eagerly anticipating getting their connection, including Deputy Higgins, and I will put a request in but I do not think a politician should get any special favours in terms of rollout. We want this project rolled out as quickly as possible and all the arrangements are being put in place to deliver just that.

**3.11.4 Deputy G.C.L. Baudains:**

I wonder if the Minister could explain why the process followed was not the same as other countries have adopted, in other words, in not taking the fibre into the house but keeping it in a hub and bringing copper into the house which gives the same speed but a lot less problems. Would it not have been quicker and easier to make the installation in that way?

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

I do not think I understand the question. I think that Deputy Baudains is trying to suggest that fibre could be connected to effectively a cabinet and not fibre connected effectively to the home. I am not the technical expert but I did do a lot of work on that project. The fact that Jersey is going to have broadband fibre connections right to the home is the unique selling point. That is the thing that is future-proofing Jersey. Yes, there are jurisdictions that are putting fibre to the cabinet and then using copper to the home but that is not going to deliver the jump forward in terms of leading world-beating technology. We are going to be very quickly in the case of even though we have got homes that have not been connected at the same speed, when this project is delivered, we will be a world-leading jurisdiction with an infrastructure which the Connétable of St. John will want to celebrate, I am sure.

**3.11.5 Deputy R.G. Le Hérissier:**

The Minister talks about home connections being the issue and we know it was because of the very low rate of connections, 740-odd, in August to January. This is what now proves an unrealistic total of 2,000 a month. Could the Minister tell us how he is going to get an even flow of work while he retains financial structures which are meeting a high degree of customer resistance?

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

The Minister is not going to do anything because the Minister is going to hold the board to account with the Treasury to deliver on the project and that is important. I do not want to be in a position where we are politicising executive decision-making within J.T. There are issues about

the cost of broadband but those are issues that must be resolved between J.T. and the regulator and I have got full confidence that the J.C.R.A. is going to deal with J.T. and put an appropriate structure in place. There is also a lot of misinformation that is going around, if I may say, not by the Deputy, about effectively the cost of broadband. I am absolutely convinced in this project that it is going to make a big difference for Jersey connections, a big difference for households. I am sure the Minister for Economic Development is in Israel today doing other things, importantly including boosting Jersey's image in the world in digital technologies and that is a fantastic thing on the basis of this project.

**3.11.6 Deputy R.G. Le Hérissier:**

I have to ask for clarification. Could the Minister outline how the rate of home connections is going to increase in a steady, ramped-up fashion, to use his phrase?

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

I refer the Deputy to the answers that I gave a few moments ago. The fact is that the subcontractor of J.T. is putting new arrangements in place that are going to ramp up those connections. He was at the briefing last night. He heard from the executive team at J.T. who have done a very good job, if I may say, in responding to this problem and holding the subcontractor to account. I also can say to the Assembly that I met a very senior director from the J.T. main subcontractor, not the sub-subcontractor, in my office on Friday and he gave me a personal commitment of that organisation's commitment to delivering this project, which I took great assurance from and they are going to solve these problems and we are going to deliver this great project for Jersey.