

23.10.17

**13 Deputy L.J. Farnham of the Minister for Economic Development, Tourism, Sport and Culture regarding the operating agreement with Condor Ferries (OQ.199/2023)**

Will the Minister confirm if the operating agreement with Condor Ferries is still scheduled to expire in 2025 and, if it is, will the Minister update Members on what arrangements are in place to maintain our sea links moving forward?

**Deputy K.F. Morel (The Minister for Economic Development, Tourism, Sport and Culture):**

I thank the Deputy for his question. The current operating agreement with Condor Ferries was established in 2014. The operating agreement has entered its wind-down phase and is due to expire in March 2025. The future of ferry services remains under evaluation and, due to commercial sensitivity, it would be inappropriate to comment further. Jersey depends upon our sea links and we are working towards an outcome which meets Jersey's expectations under any new arrangement.

**4.13.1 Deputy S.G. Luce of Grouville and St. Martin:**

I have been reading the very recently published *Delivery Framework for Sustainable Economic Development* and I note that the Minister under aviation and maritime says: "As an island, sea connectivity is vital, fundamental to our economy and directly supports our businesses across the economy, including transport, logistics, construction, retail and the visitor economy." Under the heading "Export" he says: "Encouraging and supporting exports are a key pillar towards achieving our economic vision." But of course we also know that 98 per cent of all our goods come into the Island on boats. Ferry links, to my mind, are not important, they are absolutely vital. My question to this Minister is: can he assure the Assembly that the resilience of ferry links is an absolute top priority for him?

**Deputy K.F. Morel:**

In short, yes, I can assure the Assembly the resilience of our ferry services for all the reasons the Deputy has outlined is a top priority.

**4.13.2 The Connétable of Saviour:**

Can the Minister confirm if there is an agreement in place with our sister island of Guernsey that both Governments will negotiate with the preferred tenderer and that both Bailiwicks will sign simultaneously for the benefit of both Bailiwicks?

**Deputy K.F. Morel:**

I cannot confirm that. I can confirm that we have been working closely with Guernsey on an operating agreement but the level of commitment and detail that the Connétable has outlined, we have not gone to that level.

**4.13.3 Deputy M.R. Scott:**

Has the Minister looked into whether the passenger ferry service side of the operating agreement might be regarded as a lost leader and any other way of approaching this, rather than requiring it to be taken on by the operator of the overall ferry service?

**Deputy K.F. Morel:**

Could I ask for a clarification of an understanding of that question, as I did not understand the question?

**The Bailiff:**

Yes. Do you want to ask it in slightly different terms?

[11:15]

**Deputy M.R. Scott:**

I shall do, thank you. Given that the current operating agreement requires Condor to provide a service for foot passengers and non-car passengers, as well as to some extent freight and is required to provide this service, has the Minister looked into where the actual profit lies and whether there is any merit in approaching these services differently from the current operating agreement?

**Deputy K.F. Morel:**

I do believe I know where the profit lies in the ferry services and I am always open to looking at new ways to deliver all services.

**4.13.4 Deputy M.R. Scott:**

Then does the Minister accept that to some extent the free market is not operating fully in this area, and is that acceptable to the Minister?

**Deputy K.F. Morel:**

I have my concerns about this. Islanders contact me on a regular basis to explain their concerns about the regularity of passenger services. I am always looking at new ways to structure or deliver services in the Island.

**4.13.5 Deputy L.J. Farnham:**

Given the major strategic importance of our ferry links, not least the freight for which Members will know is well in excess of 90 per cent of what we consume is imported by ferry, does the Minister remain confident that either a new agreement will be in place with the existing or new operation and that we will not be left vulnerable come the expiry of the current agreement in March 2025?

**Deputy K.F. Morel:**

Yes, I absolutely am working to make sure that we have no disruption in the ferry services, however that takes place.