



Senator Lyndon Farnham
Minister for Economic Development, Tourism, Sport and Culture
By email

22nd June 2021

Dear Minister

Economic and International Affairs Scrutiny Panel

Review of the Demerger of CICRA and Formation of the JCRA

I refer to the Panel's letter dated 27th April 2021, which confirmed the Panel had redrafted its Terms of Reference for a Review of the demerger of CICRA and Formation of the JCRA.

As you will be aware, the Panel has since held three separate Public Hearings with stakeholders as part of the Review, including the Chamber of Commerce, JCRA and the Institute of Directors. The Panel has also received a number of submissions from current JCRA licence holders.

Further to this, the Panel would be grateful if you could provide responses to the following questions:

Impact on competition regulation

1. Please can you explain the process of consultation that was undertaken to conclude that the demerger of CICRA was necessary, and that the formation of the JCRA as a singular entity was in the best interests of Jersey?
2. A current JCRA licence holder has expressed concerns in a submission to the Panel about a duplication of their workload as a result of the separation of the two regulatory entities, as well as reporting bureaucratic and administrative difficulties operating across both bailiwicks. Are you aware of the duplication in certain workloads and how will you ensure that any divergence across the regulatory regimes in both bailiwicks does not significantly impact on licence holder operations?
3. Do you think that the current funding arrangements for the JCRA could be improved to ensure a better balance between central funding from Government and income received from sectoral regulation?
4. To what extent have you compared the operation of the JCRA with the operation of competition regulators in other jurisdictions?

Cost Implications

1. The Panel has also received feedback from licence holders about the formulation of the JCRA as a single entity and noted concerns about increased costs arising from the



separation of the two regulatory bodies. Do you have concerns about cost increases for the JCRA and GCRA being passed along to licence holders, and therefore resulting in higher prices for consumers?

2. The Panel also notes in feedback received from licence holders that a key advantage of CICRA had been that “scarce specialist resources could be shared across both jurisdictions, which saved costs”. How will you ensure that the JCRA is adequately resourced whilst mitigating a significant increase in costs to the JCRA?

Communications

1. At a Public Hearing on 14th May 2021, the Chair of the Institute of Directors was supportive of a webinar or conference to get a collective view from its members about the operation of the JCRA as a single entity. Do you feel there is a role for Government in facilitating an event for business leaders, and the public, to express any comments and concerns about the formation of the JCRA?
2. The Panel notes that CICRA was active on social media, notably Twitter and Facebook which remain under the title of CICRA, until early 2019. Do you feel that it is important that the newly formulated JCRA promotes its workstreams and role in competition regulation, through these social media channels?
3. Do you think that the current JCRA communications inform the public and small business leaders about what constitutes a matter for investigation by the JCRA?
4. Do you feel that the process of for example, notifying the JCRA of a breach of a licence condition by a licence holder, is made clear and is well understood by the public and the business community?
5. The Panel notes concerns expressed by stakeholders and licence holders about the absence of consultation in respect of the demerger of CICRA. Are you working with the JCRA to ensure a communications strategy to inform stakeholders and licence holders about any future changes to JCRA operations?

We look forward to receiving your responses to these questions and ask that you provide a reply by Tuesday 29th June.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Johnson', with a long horizontal line extending to the right.

Deputy David Johnson
Chair, Economic and International Affairs Scrutiny Panel