



## **Economic and International Affairs Scrutiny Panel**

Public Hearing - Chamber of Commerce - Review of  
the demerger of C.I.C.R.A. and formation of J.C.R.A.

### **Witness: Chamber of Commerce**

Monday, 10th May 2021

**Panel:**

Deputy D. Johnson of St. Mary (Chair)

Senator S.W. Pallett

Deputy S.G. Luce of St. Martin

**Witnesses:**

Mr. J. Shenton, Vice-President, Jersey Chamber of Commerce

Mr. R. Isherwood, Chair, Digital Committee, Jersey Chamber of Commerce

[13:34]

**Deputy D. Johnson of St. Mary (Chair):**

Good afternoon, everyone and welcome to this public hearing of the Economic and International Affairs Scrutiny Panel regarding its review into the demerger of C.I.C.R.A. (Channel Island Competition Regulatory Authority) and the reinstatement of J.C.R.A. (Jersey Competition Regulatory Authority). As normal on these occasions I will begin by introducing members of this panel and then we will hand over to the Chamber of Commerce for their introductions. Representing the Scrutiny Panel are myself, David Johnson, Chair, Deputy of St. Mary, Deputy Stephen Luce of St. Martin, and Senator Stephen Pallett. So perhaps could I hand over to Mr. Shenton?

**Vice-President, Jersey Chamber of Commerce:**

Good afternoon. I am John Shenton. I am the vice president of the Chamber of Commerce. I have with me Ronnie Isherwood.

**Chair, Digital Committee, Jersey Chamber of Commerce:**

Good afternoon. Ronnie Isherwood. I am the chair of the Digital Committee for the Chamber of Commerce.

**The Deputy of St. Mary:**

Welcome, and thank you both for coming. Before I raise any questions and invite you for your contribution, perhaps I could put this in some sort of context, which is that in April of last year the Minister for Economic Development, Tourism, Sport and Culture announced the demerger of C.I.C.R.A. and that J.C.R.A. would henceforth operate on its own, which it has done as from 1st July. This panel did begin a review at the time and took initial hearings or had initial hearings, et cetera, and then because of the COVID crisis was obliged to pause its work and since then our then chair has moved on. We are in a way picking up the baton from there but having done the earlier inquiries into the possible reasons for the demerger we are now concentrating more on matters going forward. Against that background, perhaps you, Mr. Shenton, could advise whether at the time of the demerger you received from your members any comments or concerns about the future operational effectiveness and as to whether they did have concerns?

**Vice-President, Jersey Chamber of Commerce:**

I think one can safely say that the amount of information in the public domain concerning the announcement last April of the demerger came as a bit of a shock. I do not think there was much in the press and I do not think that it was articulated particularly clearly to anybody concerned why the demerger was going to happen. We are where we are and I do not think there is any point in going back over the whys and wherefores as to why the demerger happened, but I am not sure that those reasons were particularly well-articulated to our members or even to the public at large. I would say that in the last 12 months that we have seen very little coming out of the J.C.R.A. If you go to their open consultations and their open casework it appears to be very limited, so from a business perspective we are quite happy because they have not interfered in business very much at all recently, which is always a good thing. We understand that they do have to participate when problems are issued and I think that if you asked the man in the street what the work of the J.C.R.A. was when it was either a Jersey body or a cross-Island body, it appeared mostly to deal with spats within the telecoms industry. One was interested when it was moved to a Jersey-only business that the Minister at the time said that it was going to be far more Jersey-focused and push towards Jersey issues. We have not seen any of that and would ask the panel as to what they perceive the future direction of the J.C.R.A. will be and whether they understand what these Jersey issues highlighted by the Minister, when he announced the demerger, was referring to.

**The Deputy of St. Mary:**

Thank you for that. Two things. You touched on telecoms. We will perhaps go on to specific issues later in this one hour we have allowed, but I was interested to hear your comments about the J.C.R.A. being quite quiet, which you saw as a good thing because it denoted lack of interference. Is that how you generally see the intervention of J.C.R.A., rather than on the helpful side of tackling other issues?

**Vice-President, Jersey Chamber of Commerce:**

I think generally, yes. I think in some ways if you can take it even slightly broader from the J.C.R.A. to basically Government involvement in business we are faced with an Island where probably one in 4 of the working population now either works directly for Government or for Government in their quangos. From trying to run a business the amount of red tape is a nightmare, so not seeing the J.C.R.A. is, yes, most definitely a good move because if you look at the red tape and the amount of Government involvement in business it is quite frightening.

**The Deputy of St. Mary:**

I can perhaps hand over to Steve Pallett now, who wishes to raise a particular question.

**Senator S.W. Pallett:**

Good afternoon, John. When C.I.C.R.A. was set up 2 of the things they were set up to do potentially was reduce the cost of regulation and reduce the compliance burden as C.I.C.R.A., as a pan-Channel Island regulator. Presumably if you look at it the other way, J.C.R.A., you could say acting independently as a single regulator, may increase both. Do you see that as a risk to your members?

**Vice-President, Jersey Chamber of Commerce:**

Yes, I do. If you are looking at lack of regulation we have the J.C.R.A., we have the J.F.S.C. (Jersey Financial Services Commission), we have the J.O.I.C. (Jersey Office of the Information Commissioner), we then have all the government bodies, then we have the Parishes and everyone else, which we have to go through a complete minefield of regulation, permits and everything else and having a more dedicated resource looking at Jersey I think can only increase the amount of regulation, permits, form-filling, that my members will face. As I said, at the moment unless Ronnie has seen anything else, we have seen very little from the J.C.R.A. in its new guise. Yes, it has looked at the telecoms industry and, yes, it has some ongoing consultations, but a quiet J.C.R.A. is good for business.

**Senator S.W. Pallett:**

Can I ask a follow-on question to some degree? How closely do you work with your Guernsey counterparts in regards to picking up issues that may affect both Islands?

**Vice-President, Jersey Chamber of Commerce:**

Most of it is only industry-specific, so we do work with them. We work with them both at a general level and, more importantly, I work for a business that is a Channel Islands business, so we have an office in Guernsey that is of similar size to that in Jersey. We are faced primarily with the same problems in relation to our business and our business is staff and too much regulation, too much employment regulation, too much business regulation, too many forms to fill in, trying to get housing, trying to get staff and everyone else. I was slightly surprised when they decided that the J.C.R.A. had specific problems that Guernsey did not have and therefore these would be addressed. As I said, I would be delighted if somebody could tell me what these problems were, because all I see from an outsider and a taxpayer is that instead of having one body that I paid half the costs to, and there were clearly some synergies, I now have 2 bodies and I am paying the full costs of one of them. I genuinely, and our members, are not sure we would be able to articulate what the benefit of having a separate J.C.R.A. is as opposed to the Channel Island one.

**Senator S.W. Pallett:**

A lot of the issues will be the same for both Islands and obviously there are a lot of businesses that are located in both Islands. Do you feel it is important to have a consistent approach across both Islands, which I suppose C.I.C.R.A was set up to deal with?

**Vice-President, Jersey Chamber of Commerce:**

I think when it comes to business I am not sure that in many spheres we are competing on a day-to-day basis with Guernsey. Therefore a consistent, streamlined approach across both Islands would seem to serve better than us trying to score points against each Island. We suffer exactly the same issues. We suffer an ageing population. We suffer overpopulation, whereas Guernsey are depopulating. We both have trouble encouraging staff. The cost of getting stuff to both Islands is incredibly expensive. It suddenly does not become cheaper when it goes into Guernsey or cheaper when it comes into Jersey. The underlying issues of operating an Island in the middle of the English Channel I must admit are the same across them both. I really could not see any great savings by suddenly saying that we were going to be Jersey-focused. If it came down to a spat as to who was in control because we had a Jersey guy or a Guernsey guy in control I think it is incredibly sad that we have ended up with a separate regulatory authority to get over basically a competition as to who had more power. That is an incredibly sad place to be, but nobody has articulated to me and I have not seen any evidence since last June that the J.C.R.A. is doing anything different to what C.I.C.R.A. did and therefore I have seen no knock-on benefit to me, my business or any other business, or to the consumer, might I add.

[13:45]

**Senator S.W. Pallett:**

I have just got one further question on this, which is really something for you to confirm. The chair of C.I.C.R.A. maintained throughout this process that a combined structure was going to be more efficient, yet we moved to 2 separate regulators. Could you confirm whether there was any consultation whatsoever with local businesses and the Chamber of Commerce in regards a demerger?

**Vice-President, Jersey Chamber of Commerce:**

I am not aware of any whatsoever.

**The Deputy of St. Mary:**

Thanks for that, Steve. To answer your earlier question to me, John, about what Scrutiny's view was, the point is one of the purposes of this hearing is to find out the views of organisations such as yourselves, so we can put more identified questions to the chair and the C.E.O. (chief executive officer) of J.C.R.A. who we are due to meet in a public hearing shortly. Of course they have only recently taken up the reins. All I am saying is I am not able to answer your question at the moment. We do take on board all the comments you made about what happened at the time of demerger and some of the points you made were those that prompted our initial concerns. We are where we are, as you have just said.

**Vice-President, Jersey Chamber of Commerce:**

I must admit the thing that struck me was I was called in to do this hearing last week, as Jennifer was going to do it prior, so I tried to do some research in relation to the decision made and everything else. I hope that the people at Scrutiny have been able to find more stuff than I have because I found very little. It appeared to be a bit of a knee-jerk reaction or that is what it came across as, in relation to the demerger to deal with a small spat.

**The Deputy of St. Mary:**

I hear you on that. All I am saying is that we did tackle that aspect about a year ago. I am not sure "research" is the right word or I am not sure we found too much in the way of justification for it, but that will come out in our review in due course. Before I hand over to Steve Luce who has got a few questions from what you just said, then as a decision has been taken to demerge, apart from the saving in cost perhaps, do you see little merit in the single entity as opposed to the previous dual one?

**Vice-President, Jersey Chamber of Commerce:**

None whatsoever, but obviously the position is reserved because they have been without a leader in Jersey for a while and maybe going forward they will provide some benefit to the business

community and the consumer, but based on the last 12 months, no, I cannot see any benefit whatsoever.

**The Deputy of St. Mary:**

Perhaps I should say for clarity that we have been assured that there will still be co-operation between the 2 Islands, although not under one body. There will be an M.O.U. (memorandum of understanding) between the 2, so hopefully there will be some saving in that area. Steve Luce, do you want to pick up the baton?

**Deputy S.G. Luce of St. Martin:**

Thank you, Chair, and good afternoon, John. I have got 3 questions in front of me and I suspect you have answered them all already. I will just fly through them. Does the new relationship with the J.C.R.A. differ from the one you had with C.I.C.R.A. I think you have told us about that. Are you supportive of the new structure? Well, I think we know your answer to that. The question then is what is your relationship with the J.C.R.A. and how often do you meet or correspond with them?

**Vice-President, Jersey Chamber of Commerce:**

Most of our members do not have an ongoing relationship with the J.C.R.A. It is really when they come to acquire or dispose of a business, rather than on a general day-to-day basis, and I think sometimes they may have set the bar a little low as to what they look at in relation to dealing with mergers and acquisitions. Going forward, when you ask what I expect or what my hopes are in relation to them, I expect that they would bring a more businesslike, pragmatic approach to operating in Jersey in relation to various mergers, acquisitions, takeovers, demergers and take into account the Jersey marketplace in relation to doing business and probably get involved earlier. Our members are more than happy to help and our members want to help and our members want to understand fully what the J.C.R.A. is doing. If the new J.C.R.A. would like to publicise what its aims are, what its business plan is for the next 12 to 18 months, then I feel that we would be in a better position to help our members get through any dialogue they need to have with them. At the moment, I think the jury is somewhat out as to what the approach is in relation to certain matters that are going on.

**The Deputy of St. Martin:**

Thank you for that. Before I run over to Steve Pallett who has a question, can I ask you this? I think it would be fair to say you have been reasonably disparaging about the J.C.R.A. in the odd sentences you have used so far. Do you think they are necessary in this day and age? Do you think they serve a purpose? Would your members be better off without them and if we did take them away what would we need to replace them with? Maybe "disparaging" is a bit strong.

**Vice-President, Jersey Chamber of Commerce:**

I agree that I have not been the biggest fan because I am not sure that anybody has really explained what their purpose to the majority of business in Jersey is. I think you need a regulatory authority in this day and age. I think with the amount of regulation we have there is a certain amount that needs to be done in that space. I think that a lighter touch in relation to certain matters, but a lighter touch with a firm set of principles and penalties behind. I think that most people do not go into this as a game in order to push the boundaries too far and I think that is maybe what we have seen in relation to certain matters the J.C.R.A. has dealt with. I think that a certain light touch in relation to most of the competition regulatory aspects is good. I think the J.C.R.A. is good. I am just fearful that it is another government department that is funded by Government that has no real accountability to anybody. It is very difficult to measure whether it is successful or not. In my business if I do not make a profit I go bust. I do not have somebody who will continually put money in the till, so it is very difficult to ascertain whether they are doing a good job or not. I am slightly worried that they will make the job big enough in order to justify their existence and I think that is our biggest worry, that with other non-profit making organisations that the money will be spent regardless and they will justify their existence. That is our biggest concern.

**Chair, Digital Committee, Jersey Chamber of Commerce:**

Given that certainly the digital section have been in touch with them quite a lot over the last few years around telecommunications and also over the ports, it is probably worth mentioning it is 2 organisations and not one, one for regulation of those government semi-private ventures and one for competition. We do not see much on the competition side at all. We do hear quite a lot of feedback around the telecommunications side. I want to add to what John has said, that when you are looking at a local body that only has one airport and only one real telecommunications provider to regulate I would ask the question is there enough experience to do that, or should we be looking at somewhere that perhaps regulates the south of the U.K. (United Kingdom) and all airports?

**The Deputy of St. Martin:**

That is interesting and I am going to come back to that, because I have got some questions for you gentlemen about freight and logistics, but before I go there I am going to ask Senator Pallett to ask a question that he wants to put to you.

**Senator S.W. Pallett:**

It is really just following on from something that John said. I think you used the phrase J.C.R.A. being a government department. I have got 2 questions. One is: do you think they are independent enough and the second question would be around the focus of the J.C.R.A. that you have touched on as being maybe not as wide as it could be. Have your members given any specific areas of concern, and I think you have just touched on it to some degree around monopolies or limited

competition? Have you got any examples where your members have shown concerns? I would certainly be interested in your views about the independence as well.

**Vice-President, Jersey Chamber of Commerce:**

Ronnie, have you got any concerns?

**Chair, Digital Committee, Jersey Chamber of Commerce:**

I personally raised one in the past where one company of a size purchased another company and it went through the regulator and it was deemed okay. That same company was bought again to make it an even larger company but it did not go through at all the second time. I had the question answered, but it does not happen much in my particular industry, given the size of the companies that we are on the Island, certainly in the technology format. I think it is required but I have spent a lot of time talking to my committee about it and there were very few questions that the committee has to ask when J.C.R.A. have come in to talk to us, so not a lot of concerns in my industry, really.

**Vice-President, Jersey Chamber of Commerce:**

I am not sure there is a lot of concern, full stop. I think the market is difficult because a lot of the time if you are looking at a merger or an acquisition these are normally in relation to legitimate business reasons why this is happening. We are not a place that is big enough for acquisitions to necessarily be strategic. We are not seeing local businesses swallowed up on a strategic level. Yes, in the trust industry space there is a lot of private equity coming in buying trust companies and everything else, which one might want to look at, at some point, as creating monopolies and whether we have too much reliance on certain funding providers. In most of the space we have not really seen any aggressive takeovers. We do not get that. Where you would normally end up with problems with the regulator or acquisitions is where you have got an aggressive takeover coming in. We do not have that in Jersey. I cannot remember, and please correct me if I am wrong, the last time someone aggressively took over a Jersey business.

**Senator S.W. Pallett:**

Okay, I do not want to touch on a couple of the areas that I think Deputy Luce is going to go into, but I thank you for your question. Just going back to the independence question. They are set up to be independent of Government where the Minister cannot intervene or force them in a direction. I suppose your answer is you are happy that they are independent enough?

**Vice-President, Jersey Chamber of Commerce:**

I am happy as anyone else in Jersey is independent.

**Senator S.W. Pallett:**



That will do. Thank you.

**The Deputy of St. Mary:**

Before I go back to Steve Luce, to pick up on that independence aspect, that is something that has exercised the minds of States Members and it is not for the panel to give opinions here but there was an Oxera report some years ago that drew attention to that and there is in the course of being finalised a new M.O.U. that will hopefully, to the satisfaction of this panel apart from anyone else, satisfy us more on that. I will not touch on telecoms which again we will come on to in a minute, but it is of course the case that the panel has certain statutory duties and telecoms is one of them, which is the main source of its income. I have got the last report from the J.C.R.A. and it does give its income apportionment in a pie chart table and 46 per cent comes from telecoms' licence fees, 38 per cent Government grant, 12 per cent Ports of Jersey and 3 per cent from merger application fees and another 1 per cent from postal licence fees. There is another figure that we have not discussed yet, which is included in the Government Plan, which is £170,000 for the next 3 years and that is the area that I wanted to touch on. Do you think it plays or should cast its net wider in the general area of Jersey competition? Should they be looking for sectors to analyse? They will of course say that they need the funds to do it and that is something that we would have to press for, but in general terms do you think that they could be more active in certain sectors?

[14:00]

**Vice-President, Jersey Chamber of Commerce:**

I think again I would probably look from a very simple level back to public and consumer opinion. Normally where the matter of competition and regulation kicks off is normally in the media, because somebody has been or feels that they have been disadvantaged. Again from that perspective, I am not sure that the moving into other areas where there is not clear evidence that somebody is being disadvantaged or that there is something untoward to look at is a necessarily good spend of money or use of time. For them to suddenly decide that they are going to look at a particular industry is fine, as long as we see a very detailed business plan and rationale as to why they consider that to be appropriate for them to go and look at that industry. No doubt there would be a cost to that industry of looking at them and, as you say, it is mostly telecoms, mostly ports. They pay most of the fees; a bit comes from the States and if you look at all their press releases over the last couple of years it is all to do with telecoms and ports. I would not want to see them expand their remit unless they can give us and industry a clear steer as to why they are doing so.

**The Deputy of St. Mary:**

Thanks for that. Would you consider it your role, the role of Chamber, to possibly point them in the right direction, if I can call it that at times?

**Vice-President, Jersey Chamber of Commerce:**

Yes indeed. We have a very vociferous membership and if any of our members feel that they have been wronged then they will be on to us straightaway. I do not think there is any doubt that we would be shy in coming forward to tell that the J.C.R.A. ought to be doing something.

**The Deputy of St. Mary:**

Sorry, just to finish off on this. Has there been much evidence of that in previous years? I think you have more or less said that there has not been too much dialogue, so does that mean that Chamber members, back to your earlier point, are quite happy as long as J.C.R.A. keep out of the way?

**Vice-President, Jersey Chamber of Commerce:**

Most of the time, yes. I think Ronnie alluded to the odd concern that our membership have had, which we would as a Chamber take up on a case-by-case basis. I know Ronnie has got his hand up.

**The Deputy of St. Mary:**

Yes, I saw that. Over to you, Ronnie.

**Chair, Digital Committee, Jersey Chamber of Commerce:**

There are definitely 2 things. Going back to telecommunications, we have taken up issues before and we have been spoken to by the board of telcos and they have not had the right information back, and then the regulator has taken issues up and got that. Kudos for them; obviously that is a big part of their job but they have done that well enough to give us the satisfaction that if we are knocking on the door and nothing is happening that they are there to do that. On that expansion point, I think one thing, there are only so many businesses in the Island and the biggest business on the Island, one of, are the Government themselves. When we talk about quangoes and investment, I would not mind mentioning sport. We have got a very big plan to create a lot of businesses to help keep people healthy and that is already a very well-saturated market of lots of private people. The Chamber does not currently represent this sector well enough and I know we are looking to, so I think one thing that does need to be kept an eye on, and I do not know if this is the right organisation but maybe it is, is where Government makes moves that will make unfair competition to the average Joe setting up a business or trying to keep one running. Obviously using Government and Government funding to create things that already exist, and so negotiating the private-public partnerships I think sometimes that inspection is needed. I am just throwing that out there for sport because there is going to be a lot happening in the next 10 years around sport and Government will help, but at the same time it may be great if I live next door to a school that turns

into a sports centre but it is not great if I lose my job as a P.T. (personal trainer) in a private sports centre a little bit further away. I will just put that one out there.

**The Deputy of St. Mary:**

Thanks for that. That is an interesting point and I see Steve Pallett wants to speak; whether it is on that or on one of his areas or something else I do not know. Steve, are you available to speak now?

**Senator S.W. Pallett:**

Yes, just briefly. Ronnie makes a really interesting point there around the conflict between private business and what the private sector should offer. Again going back to Ronnie: how do you see that being regulated? Clearly there is a role for Government to ensure that every Islander has got the opportunity to be able to exercise, be able to access a gym, be able to access sports classes, for example, yet there is a balance to be struck between new businesses setting up. Obviously Government have got a role to play in keeping their population fit. How do you see that being regulated? Do you really see this as a role for the J.C.R.A. or do you think it is really a discussion between business and Government?

**Chair, Digital Committee, Jersey Chamber of Commerce:**

The Chamber does not represent that sector at the moment. I use sport as an example but I am referring to anywhere where Government invests, which includes the digital sector as well, therefore if the Government is going to put money in and has a significant amount of information above and beyond what standard businesses do then they do play at an unfair advantage. I am not saying that it should be regulated but it might be the right organisation if they were spreading their wings, these are the sort of areas that I would be caring about on behalf of my members and if the Chamber had a future committee around that area, which hopefully it will one day, these are the sorts of topics I would be interested in. How you address them; whether it is us as Chamber that would address them, but at the end of the day it is nice to know that a regulatory body could take a look at that, for example even just writing up papers on how much the Government's private-public enterprise is worth versus the remainder of the private industry.

**Senator S.W. Pallett:**

Just to say this is in no way a criticism because I think the future is digital when it comes to health and well-being. I think getting into people's smartphones and encouraging them to participate is the way forward, but I think you bring a very important issue up around that balance between the amount of Government intervention and how much the private sector can do. We will take that on board, I am sure.

**The Deputy of St. Mary:**

Thanks for bringing that up. Steve Luce is next but before we leave that point you may be aware that this panel has sport within its ambit, and with the expertise of Senator Pallett we will be interested to know if you do take it forward in some way. Having made that comment I go back to Steve Luce who is probably poised to ask you a few more questions.

**The Deputy of St. Martin:**

I am not sure if the word “poised” is appropriate for me, Chair, but I will take the initiative. John, you mentioned ports a couple of times in relation to the airport and the harbour. Do you think there is a place for J.C.R.A. to be going out and looking at things like our ferry operators, our freight and logistics operators, and anything that could reflect on the cost of living on the Island?

**Vice-President, Jersey Chamber of Commerce:**

I think there are 2 things here. To pick up Ronnie’s point, if I may just go back slightly, our members do have a problem where we are trying to compete with Government, and I think sport is an interesting one going forward and Ronnie makes the point. At the moment in my industry technically the small accountancy firms are competing with Jersey Business. I have no idea why Government are running Jersey Business at all. I just do not understand. I think the Jersey Development Company is another point whereby the lines between what Government should be doing and what the private sector should be doing are blurred. If you want the J.C.R.A. to look at something beyond their remit then I think that you should have them looking at industries, commercial businesses who are effectively benefiting from a government subsidy in order to compete with the private sector and I would throw Jersey Business, I would throw the Waterfront, the Jersey Development Company and certain other businesses into the same pot. If the J.C.R.A. would like to expand its remit then we would be delighted if they looked at where effectively these entities that they are running are receiving state aid to the detriment of private business.

**The Deputy of St. Martin:**

Your answer around Jersey Business is very interesting. I cannot say I had ever considered them like that before. We are not here to analyse Jersey Business and announce it today but it is certainly a discussion I would like to take forward further. It is interesting. I was never a great fan of incorporating ports; in fact I did not vote in favour of it. I always felt that Government would need to invest more money in the ports; that the incorporated entity might be able to do themselves. It is interesting where you look at what we have in the way of arm’s length organisations, 100 per cent Government-owned and whether they are working for the benefit of the Island or the benefit of Jersey Business and are the 2 interrelated? I will move back to Senator Pallett, if I may, who has another question on a similar line to do with licensing.

**Senator S.W. Pallett:**

Steve, can you do that for me, please? I am in the middle of writing another question. I think you have got it on the end of your tongue there.

**The Deputy of St. Martin:**

Okay, then. John, Ronnie, another one for you in a similar vein. Do you think there is a place for the J.C.R.A. to spend more time looking at the licensing and alcohol industry in Jersey?

**Vice-President, Jersey Chamber of Commerce:**

Personally I cannot speak on behalf of Chamber looking at the licensing because I have not asked them what they are doing. I think that we have an enormous amount of hurdles in the licensing industry. The costs involved in hospitality seem to be quite excessive when you come down to staff and everything else. I think if you are then going to possibly do a review that might put more costs in that area then we are asking for trouble because hospitality at the moment are struggling with staff, regulation, pricing, before you involve them in any other reviews. My personal view is I would leave that one well alone for now.

**The Deputy of St. Martin:**

Thank you for that, and I think Senator Pallett is ready for his newly-worded question.

**Senator S.W. Pallett:**

It is a new question on a subject that Deputy Luce touched on. It is around ports. This is something I was aware of some time ago around the setting of some of the fees around ports and Ports of Jersey. Do you see any role for the regulator in being involved in setting prices or setting costs for Ports of Jersey or do you think it is purely that they should be regulating the business rather than getting involved in setting prices?

**Vice-President, Jersey Chamber of Commerce:**

I am a great believer in that if there is money to be made then someone will come in and compete with you. If somebody is making an astronomical profit then someone will see an opportunity in the market. There is an awful lot of money swishing around with people not knowing what to do with it, given interest rates and everything else, and I think if somebody was making astronomical profit then you would end up with competition or you would end up with someone attacking or aggressively wanting to acquire your business. I am not sure what the J.C.R.A. will do in relation to fees, because if they put fees up then they are only going to get passed on to the consumer. If they put fees down I doubt they will be passed on to the consumer, so I do not really understand what benefit it would be for them to look at the fees, because I do not see it as an effective tool where we have virtual monopolies in relation to those areas.

**Senator S.W. Pallett:**

Do you feel it is right that ports should have to get an agreement from the J.C.R.A., what was C.I.C.R.A. but now the J.C.R.A., if they wanted to increase their lending charges, for example?

**Vice-President, Jersey Chamber of Commerce:**

Yes I do. Because Ports of Jersey does have a monopoly I think it is completely correct that monopolies are controlled by the J.C.R.A. and I fully support the J.C.R.A. in that area. I do not think that you could allow the ports to set their own fees in a monopoly.

[14:15]

**Senator S.W. Pallett:**

I definitely understand that. Do you also feel though it is important that the J.C.R.A. act expediently in regards to any request that ports would make, for example?

**Vice-President, Jersey Chamber of Commerce:**

Yes, I think it is like anything else. I think if you are running a monopoly you have to justify ... I cannot go and build a second harbour. You are not going to allow me to stick an airport off La Rocque, so that, when the J.C.R.A. is concerned, I think is completely and totally appropriate. If you have a haulage company or a ferry company that is making excessive profit then there is always the opportunity to get competition in, whereas in areas where there is simply no competition then I think it is right that you have an as independent as possible panel looking at those fees and those prices.

**The Deputy of St. Mary:**

Sorry, before I go back to Steve Luce, on the back of what Steve Pallett has just asked. Since the pandemic started the Government have got a financial interest in Blue Islands of course and it is also within its ports mandate to go and look for new destinations. Do you see that as a potential area of conflict?

**Vice-President, Jersey Chamber of Commerce:**

Yes, I do. The States of Jersey should only be involved in the airline for as long as it is required in order to maintain safeguarding of routes for tourism and freight. When we reach the point where that is no longer the requirement then I do not see why the States of Jersey should be involved in a commercial airline and the commercial airline interest should be disposed of. I think that you will have easyJet, BA and everyone else knocking on the J.C.R.A.'s door. I know they did initially, and they will no doubt come back. The Government are not an aircraft operator and they should have a clear plan as to disposing of that interest. They should not be looking to expand it.

**The Deputy of St. Mary:**

Sorry, I do not think they are going to expand their business as an air operator itself but they are looking to go side-by-side.

**Vice-President, Jersey Chamber of Commerce:**

Yes.

**The Deputy of St. Mary:**

Okay. Sorry about that, Steve Luce. Do you want to go back again?

**The Deputy of St. Martin:**

I am just looking at the time, Chair, and thinking we have not really touched on telecoms very much and maybe now would be a good moment to dip in and see how we get on.

**The Deputy of St. Mary:**

I fully agree.

**The Deputy of St. Martin:**

I will let you carry on, then.

**The Deputy of St. Mary:**

Okay, right. It is perhaps more a question for Ronnie.

**Chair, Digital Committee, Jersey Chamber of Commerce:**

There are a couple of issues. There is the cost of roaming to Jersey businesses, working in London, working in Paris, working in the U.S. (United States). Obviously everyone wants to have that one phone from that one country but the majority of people have to get a European or a U.K. phone otherwise it is not viable. Then who wants to carry 2 phones? The regulator has come in and talked to us about this before. They have helped push the price down for off-Island roaming but it is critical that somebody is looking at that and doing that because it is still too expensive. We do a lot of advertising and marketing about how amazing our investments in fibre and everything are, but I would almost argue that someone should regulate what advertising and marketing we do, because in reality when you check a lot of the statistics the infographics are self-created and they do not necessarily stack up if you go to another country and look at their infographics, which conveniently will weigh in their favour. What I am saying is that so far what I have experienced with relation to the regulator and the telecommunications industry has been interesting, although I am a little bit annoyed at the demerger because I spent a day of my time, so 3 people from Chamber spent a full day in Guernsey looking at that perspective and having all the operators together for the future of

5G. Obviously there is an area that we were willing to work with the Chamber there on. That obviously now is ... it is not unlikely; if something comes up that is going across both Islands I do not see why we would not reach out, but that is something that would have been done before, that both Islands would be looking at it. I am very upset to have called in J.T. (Jersey Telecom) and announced issues confidentially and had the questions lined up and for them to not answer them honestly and to come in and talk about what they do right, and then the regulator has gone and investigated and found that what we had to say was factual. But at the same time they are still a private organisation and I think there are things that they may not be able to say to a Chamber of Commerce. If it were to affect their share price then there are things they cannot tell us when we ask the question. I have been pretty satisfied with what they do and would hope that they continue to push the costs down.

**The Deputy of St. Mary:**

From what you have just said, are you in regular communication with J.T. about some of those aspects? Obviously Chamber is a department under your head as it were, in digital. How does it work?

**Chair, Digital Committee, Jersey Chamber of Commerce:**

There are some areas. I brought it to the table before that you just need to be connected. We have to be connected in all parts of the Island. Sometimes doing the review on broadband in the day of fibre that was a little bit odd. It seemed like a waste of time. I think we just need to say: "Are people connected completely from the moment they step on the Island to the moment they step off and is the price of connectivity reasonable?" Obviously there is the control of the bandwidth. We have upped it in COVID, we are taking it away again, so it is up and down like a yo-yo. There is a lot of control over that fee and it is extremely high compared to outside of the Island, but the communications have been good thus far from the regulator. We do approach J.T. when there is a significant issue; they do normally respond but we get much better and more in-depth answers from the regulator if there is a concern.

**The Deputy of St. Mary:**

Turning to the specific question of the recent breaches of licence obligations by Sure and Telecom and the decision taken by J.C.R.A. were you happy with that procedure? Were you consulted? Did they listen to your input?

**Chair, Digital Committee, Jersey Chamber of Commerce:**

No, I do not think that we were consulted.

**The Deputy of St. Mary:**



Would it have been helpful to the overall process had you been?

**Chair, Digital Committee, Jersey Chamber of Commerce:**

I think we had already voiced our concerns so I think the information would have been there for that, to be honest.

**The Deputy of St. Mary:**

Okay, that is probably that on telecoms. Do either of my colleagues have any further questions on general matters?

**The Deputy of St. Martin:**

I am fine, thank you, Chair.

**Senator S.W. Pallett:**

Just maybe following on from that, there is really one for Ronnie around broadband rollout and availability of broadband. Whether it is an issue for the regulator at some point I do not know, but in terms of inclusivity with maybe lower income families and those that are less well-off, do you think there is a potential digital divide at the moment that maybe is something that the regulator should look at to ensure that those that are less well-off in the Island do have an opportunity to be well-connected?

**Chair, Digital Committee, Jersey Chamber of Commerce:**

Yes, the digital divide is a really big thing. It is really important and it is not hidden here the same as in the U.K., so there has to be focus on it. My view is there should not be a child in Jersey that does not have access to the internet. There should not be a person in Jersey that does not have access to a computer. If the library needs to be bigger with more space and there needs to be a library at different locations in the Island there needs to be a facility. There is always going to be that one house that just cannot connect because the walls are too thick and the person cannot afford to dig things up, but as long as they have got somewhere nearby they can go to, a government facility or a Parish Hall, and do what they need to do then yes. It is an area of focus. No one should be left behind. Being left behind is a distinct disadvantage in business.

**Senator S.W. Pallett:**

Thank you. I have just got one last question probably to John. Obviously the Minister for Economic Development, Tourism, Sport and Culture is there to promote business, to promote business to all sectors, but he is also there overseeing the J.C.R.A. Admittedly they are independent. Do you see any conflict in his role as a Minister?

**Vice-President, Jersey Chamber of Commerce:**

No, probably not. Yes, I think with most of the things if you sliced and diced his portfolio up then I think conflicts exist throughout that department because you have in a small Island limited resources, which are all pulling for different resources, which all come under the same heading. I think we probably have sufficient checks and balances and I think that the J.C.R.A. is probably as independent as one can get it to be. Jersey is also a small place so if there is any suggestion of someone being less than independent then I think that it would be in the public domain relatively quickly. I do not really have a problem with it sitting under the current Minister.

**Senator S.W. Pallett:**

I have got no other questions, David.

**The Deputy of St. Mary:**

One final one, if I may, I have the advantage of having before me the J.C.R.A.'s last standard report setting out its engagement principles. Principle 1 is headed: "Public and consumer benefit" and it goes on to say: "We work for the benefit of the public and consumers in Jersey", et cetera, and the final sentence is: "We accomplish this through engaging with consumer and business groups to understand the specific needs of our citizens and businesses." What I am really asking is as far as Chamber is concerned are they communicating often enough or is that a double-edged sword with the Chamber community and with him?

**Vice-President, Jersey Chamber of Commerce:**

I can safely assure you that when he has his feet under the table then Chamber will be inviting him to come to speak to us.

**The Deputy of St. Mary:**

Thank you for that and I am sure he will get that message and we will refer to that when we speak to him in a public hearing. Steve Pallett, nothing further? Steve Luce, nothing further? It remains for me to thank you both for coming and especially at short notice and hopefully we look forward to seeing you in what is left of this term.

[14:27]