

#### **4.3 The Connétable of St. John of the Minister for Economic Development regarding the current pay and conditions of Condor Ferries' crew and the recent industrial action taken by staff:**

Would the Minister advise whether the current pay and conditions of Condor Ferries' crews were a consideration when the decision was made to extend the company's permit to operate car and passenger ferry services to and from the Island and, if not, why not, given the recent industrial action or the current industrial action by staff?

##### **Senator A.J.H. Maclean (The Minister for Economic Development):**

The decision to amend the air and sea transport policy that I addressed in a statement on 4th December 2012 allowed for a ramp permit to be awarded to Condor Ferries for a 5-year period, commencing 1st January this year. That decision was made to allow car and passenger ferry services to continue lawfully while work was undertaken to find a long-term solution for car, passenger and freight ferry services to the U.K. and France. Pay and conditions for crew are carefully regulated through the marine authorities to which Condor is accountable, including D.N.V. (Det Norske Veritas) and the Bahamas flag, which is recognised as one of the top 10 flag state authorities worldwide. Condor Ferries meets or exceeds all of its regulatory obligations, including the Maritime Labour Convention which is a key component of its permit to operate. I am assured the pay and conditions that Condor pays all its crews, regardless of residency, is compliant with legislation and benchmarks favourably with other ferry companies. Indeed, prior to this current dispute, Condor Ferries has been strike-free and has enjoyed good industrial relations with its workforce.

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

The Minister mentioned long-term solutions. It appears not to be so. Given that we have had this unrest and strike now for 13 days, I would like to know what in fact the Minister and his department are doing to put in place a lifeline route to and from the Continent for the Island of Jersey?

##### **Senator A.J.H. Maclean:**

It is not for the Minister to lay on a service between Jersey and St. Malo. There are obviously concerns that passengers, both car and individuals, can get to their destination in a timely fashion and clearly this dispute is very disruptive for Islanders, a thoroughly unsatisfactory situation. Condor have, therefore, made plans to ensure that passengers, and particularly cars, can route via the U.K. and Brittany Ferries as a contingency if the dispute is not resolved. That is being taken up by some people, although I accept it is not an ideal situation. We are also working with industries such as fishing to consider how catch can be got across to France on a different route, and that is also progressing as a plan at the moment.

##### **4.3.2 Connétable A.S. Crowcroft of St. Helier:**

The Minister says it is not his job to ensure the viability of these services. Is the Minister aware that the Conseil Général invests a great deal into the provision of ferry services from Granville to Jersey and does he not think that the States of Jersey should be showing an equal willingness to do the same thing?

##### **Senator A.J.H. Maclean:**

I prefer to draw an example of Guernsey's experience in purchasing an airline to secure airline services between Guernsey and the U.K. I believe that the services provided since 1964 by Condor have been, on the whole, exceptionally beneficial for the Island. What we are interested in doing is ensuring that we have safe, reliable and year-round services into the

future, and that is the purpose of the negotiations currently underway. This particular most unsatisfactory strike position that the Islands find themselves in, where effectively we are being held to ransom, is unacceptable, but it is a matter for the company to resolve this dispute with their staff and with the unions in question, and that is what they are seeking to do. We have made it clear that this happens quickly.

#### **4.3.3 Deputy R.G. Le Hérissier of St. Saviour:**

Given the Minister, and indeed the company, have constantly talked about the financially precarious situation that appears to underlie that route, would he tell us at what point he will intervene, or will he step back and simply allow the route to collapse if things cannot be resolved? At what point will he intervene?

#### **Senator A.J.H. Maclean:**

The question for the Deputy is the type of intervention that he is referring to. First of all, we should point out that this is not the only strike action occurring in Brittany at the moment. During January alone there were about 4 or 5 cases of different industries that are suffering strike action. We have also seen other ferry companies in 2012... Brittany Ferries, which has often been referred to as a possible provider of services to and from the Channel Islands and France, themselves had 2 weeks. I hasten to add they have got contracts with French staff that are French contracts and they still were unable to carry out services for a considerable period of time. We are working with Condor to ensure that they have everything they need to be able to negotiate successfully and resolve this issue as quickly as possible. I believe that they will do so.

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

Could the Minister define what he means by “everything they need”?

#### **Senator A.J.H. Maclean:**

Both as Minister and on behalf of the States I have made it clear to Condor that if they require any further assistance from us then we will consider supplying that in order to open up the routes as quickly as we possibly can. But they are satisfied that seeking to negotiate with their staff is the most appropriate way forward and that is what they are doing and we support them in that decision.

#### **4.3.5 Senator L.J. Farnham:**

Could the Minister shed any light on how 9 members of a crew of perhaps 80 or 90 can prevent a vessel from sailing? I am slightly confused as to why this small number of the crew has ceased all sailing.

#### **Senator A.J.H. Maclean:**

I think this matter has been covered in the media, but there were in fact 20 crew who originally took over the vessel regarding concerns around pay and conditions. Since that point, it has been whittled down to 11, and in fact I understand it is less than that now who are still in dispute. It clearly would be the right of the company, of Condor, to have removed the individuals from their vessel. To do so, you will appreciate would have escalated the situation. I believe that Condor have taken the right decision to seek to negotiate with their staff and the unions to find an early solution. That is what they are seeking to do and I trust they will be successful quickly.

#### **4.3.6 Deputy M. Tadier:**

Will the Minister advise what he thinks it says about Condor's attitude towards current pay and conditions when they are willing to pay significant amounts of money to their competitors at their own loss rather than increase and improve the terms and conditions of their own workers who are making money for the company on a normal day-to-day basis?

**Senator A.J.H. Maclean:**

There is no particular link between that at all. Clearly what Condor are doing is seeking to ensure that a level of service is provided to Islanders to get Islanders from the Island to France as quickly as possible. The fact they are having to pay a considerable amount of money to a competitor, in this case Brittany Ferries, to route Islanders via the U.K. shows the commitment that Condor have got to Jersey. It should not be overlooked that so far this strike action has cost Condor £500,000. They are prepared to negotiate; they want to negotiate; they are meeting all necessary international standards. I might add that crew terms and conditions are determined by the flag state, which at the moment is the Bahamian flag, and that, as Members will be aware, is one of the top 10 flag states in the world.

**4.3.7 Deputy M. Tadier:**

Would the Minister not accept that the most efficient way for ensuring their service level agreement would not be to pay a rival company to do a massive detour and inconvenience their customers but rather to sit down and have this resolved and meet the demands of the striking workers so that the service can be resumed now without any further loss to the company, to the workers or to the travelling public?

**Senator A.J.H. Maclean:**

The solution that Condor have put in place, at cost to themselves, to get Islanders to France is a short-term solution. What the Deputy is referring to is a long-term cost, a significant cost. Make no mistake, the demands being put forward by the crew, and in particular the union in St. Malo, are unaffordable, it appears. It is gold-plated in many respects and if the Deputy would like to see consumer prices rising dramatically then that is the sort of outcome that he is likely to get should all those requests be acceded to. In fact, one needs to look only to Brittany Ferries, who have French contracts for all their crew and staff, who have lost money for the last 3 or 4 years and have more than €90 million of debt associated.

**4.3.8 The Connétable of St. John:**

We have seen Condor and Commodore publicly in the media mention the wages paid and those are paid on a par with the Eastern Bloc countries, which does not please me in any way, given we have a minimum wage in Jersey, as they do in the U.K. Wherever the ship may be registered, it still concerns myself and others. With that, what pressure is the Minister putting on E.D.D. (Economic Development Department) staff to locate another operator to fill the hole that is currently in place? What is he doing about finding a temporary operator that may want to come on the route permanently?

**Senator A.J.H. Maclean:**

This matter has been covered on many occasions previously. There have been reports, economic studies into the viability of competition on the route. It is all very well for the Connétable to say what are we doing to find another operator. Immediately you find another operator you will not find it sustainable. We have seen that with HD Ferries in the past; short-term gain for consumers with low prices but not sustainable. What we need are safe, year-round, reliable services at a fair price and that is what we are seeking to deliver. This strike action is entirely separate to the management and the longer-term issues around the sea routes that serve the Island both from the U.K. and also to France. I would simply add that

with regard to pay, which the Connétable was also referring to, less than 10 per cent of the crew on Condor Ferries are non-E.U. (European Union) residents and therefore the pay is of some issue to some. For those striking at the moment, the French crew, the minimum is €18,000, well above the average that is currently paid in Brittany, and more than €30,000 is the highest of these particular crew members, who are deckhands.