

2014.11.25

4.2 Deputy G.P. Southern of the Minister for Treasury and Resources as shareholder representative regarding the contractual relationship between Gigabit Field Force and CH2M:

Will the Minister, as shareholder representative, examine the contractual relationship between Gigabit Field Force and CH2M to establish whether the latter can deliver broadband connections at a profit without being required to reduce overheads such as the wage bill for its workforce?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

With the greatest of respect to the Deputy, CH2M HILL are a specialist global American company with 26,000 employees and assets in excess of 3 billion dollars. There is no basis on which I can accurately assess whether this company can deliver broadband connections at a profit other than to say they are clearly not short of experience, they are in business to make a profit, and freely entered into a contractual arrangement with J.T. (Jersey Telecom) to install the Gigabit Jersey infrastructure. However, what I am concerned about is that they live up to all the obligations that they freely entered into in Jersey and one of those obligations is the payment of wages for works completed. This is not a matter of making reductions elsewhere to ensure that a profit is secured, but a matter of CH2M paying legitimate obligations as they fall due, one of which is workers' pay.

4.2.1 Deputy G.P. Southern:

Under the Memorandum of Understanding between the Minister for Treasury and Resources and Jersey Telecom, Jersey Telecom has the objective of being a good employer in its business operations. Will the Minister state what his criteria are for being a good employer and whether he considers that Jersey Telecom, through the Gigabit Field Force, has succeeded in its objectives.

Senator A.J.H. Maclean:

I think, in summary, a good employer is one who meets all his legal obligations; that is an absolute minimum. With regard to the Gigabit project and whether indeed CH2M HILL have managed to fulfil all their obligations, there have clearly been some teething problems and I am pleased to say that having called the Chief Executive and staff from J.T. into my office, we now appear to be having some progress, and I am delighted that all parties are working together and seeking to resolve the misunderstandings and difficulties that have been the case in recent times.

4.2.3 Deputy M. Tadier:

Can the Minister confirm whether he considers that when employers work between the hours of 7.00 a.m. and 7.00 p.m. at their place of work - wherever that may be - non-payment for travel time, waiting time, *et cetera*, at the owner's property for hours worked when a connection is not completed, does this constitute best employment practice?

Senator A.J.H. Maclean:

I think the Deputy is referring in particular to those employees of the 104 - about half, 49 I believe - who are on zero-hour contracts. On those contractual arrangements the terms are simply for work undertaken. What one needs to focus on is what employees have been paid, on average around £36,000. Up to July of last year, the average employee has received the highest it has had, £48,000, and more than double the minimum wage has been paid to employees for the work undertaken.

4.2.4 Deputy M. Tadier:

Listening to the Minister one would think that everything is rosy and there are no problems with Gigabit and their sub-contractors and the employees, whereas we know the reality is very much different. Can the Minister answer specifically that whether on a zero-hour contract or not, when driving between one job, when waiting at a premises for an owner to turn up, that all constitutes

work and that work should be paid for, especially when the fall-back guarantor is the States of Jersey as the shareholder of Jersey Telecom?

Senator A.J.H. Maclean:

I would first of all say, and make it absolutely clear, that all is not rosy in the garden, that is patently obvious. There have been problems on all sides and I have no doubt whatsoever about that. With regard to the arrangements of payment for driving time or waiting at a premises, that should be contained within the contractual arrangements which are undertaken and the employees are made aware of it before they start the project.

The Bailiff:

Do you wish a final question, Deputy Southern?

4.2.5 Deputy G.P. Southern:

Does the Minister, as shareholder representative, have the ability to call an extraordinary general meeting of Jersey Telecom and, if so, will he do so in order to discuss the treatment of its G.F.F. (Gigabit Field Force) employees and to examine the ability of CH2M to deliver its targets for completion of Gigabit Jersey in budget and on time?

Senator A.J.H. Maclean:

In extreme circumstances, yes, I would have that ability. But frankly my first port of call has been to first of all call into my office the Chief Executive of J.T. and its senior team. I have done that. My intention very shortly is to speak to the board and have a general update, which I will do on a regular basis anyway. I expect J.T. to act in an appropriate manner with regard to this matter, and I believe they are now doing and making every effort to put these issues right.

4.2.6 Deputy G.P. Southern:

Final supplementary. Can the Minister give a brief résumé of what his conversation was about yesterday and what solutions were offered by the representative of J.T.?

Senator A.J.H. Maclean:

I think the Deputy knows what the conversation was about. It was solely about this particular issue. I was interested to know how indeed the matter had arisen in the first place and how it was going to be resolved satisfactorily, and indeed the true extent of any problem that existed. I was given a clear outline from J.T. about the problems that had existed, the reasons for them. It would take me far too long if I were to outline the full extent of my 2-hour conversation here, but I am satisfied that there is progress being made by all sides and I am satisfied with what I have been told but I have been monitoring it and expect to hear an update next week.