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3.2 Deputy C.F. Labey of Grouville of the Chief Minister regarding the work of the Channel Islands Competition Regulatory Authorities:

Does the Chief Minister have full confidence in the work of the Channel Islands Competition Regulatory Authorities and their reports, especially their report on the fuel farm at La Collette?

Senator I.J. Gorst (The Chief Minister):

Could I ask Senator Ozouf to answer this question as he has delegated responsibility for these matters?

Senator P.F.C. Ozouf (Assistant Chief Minister - rapporteur):

As I think the Deputy will be aware, it was more than a decade ago when I brought - and I think she supported - the setting up of the J.C.R.A. (Jersey Competition Regulatory Authority), which was of course so many years after - almost 100 years after - other places had introduced such regulation. I commissioned immediately on taking the responsibilities for the competition and regulatory area a report overseen by Professor Sir John Vickers, to assess how we could build on the achievements, and they have been achievements, since the establishment of the Jersey Competition Law in 2005, which built on the establishment of the organisation in 2002. Professor Sir John Vickers stated that: "Conducting competition policy is hard but the economic benefits can be substantial" and he put forward 23 recommendations. It is important that all stakeholders, including C.I.C.R.A. (Channel Island Competition Regulatory Authorities), recognise that we all have a role to play in ensuring that we raise the profile of how competition can work in Islands' interests. That includes also, if I may say, Government to be more resourced. We have started on the action plan and it is clear that C.I.C.R.A. has also indicated we have said that there must be more work done on the fuel market review and they will continue to work with my team to establish the next steps on the fuel farm. Having regard to the statement that I issued to Members on Friday, with the new lease which covers significant new powers and safeguards, the review that C.I.C.R.A. will undertake will be on the effectiveness of the conditions imposed by C.I.C.R.A., which were following the approval of La Collette and Esso, and all those recommendations in the 2015 C.I.C.R.A. determination. I have been very clear. I am determined there will be no hiding place for anti-competitive behaviour. The existing Competition Law, a strengthened C.I.C.R.A., new powers, better communication will make sure that I do not have to answer a question about whether or not there is confidence in C.I.C.R.A. because it is a wider issue and it is more about the organisation than individuals, if I may say.

3.2.1 The Deputy of Grouville:

I am not sure that entirely answered my question. The question was: does the Assistant Chief Minister have full confidence in the work of C.I.C.R.A.? That is not quite the same as determined that there is going to be no hiding place for anti-competition. Would he not agree with me that some of the reports that have been produced by C.I.C.R.A. - J.T. (Jersey Telecom), the taxi and cab industry and now the fuel farm - have been somewhat wanting?

Senator P.F.C. Ozouf:

The Deputy will know, and I think most Members will know, that this is almost a political passion of mine. It is virtually the reason I stood for politics in 1999. In order to get regulators, who will never be loved but they must be respected, they must have a very clear context in which they operate. I think that with 10 years of benefit we realise that we have not been as strong enough in terms of giving C.I.C.R.A. the appropriate policy framework to operate within. That has meant, for example, my good friend the Minister for Treasury and Resources has challenges in relation to how they deal

with J.T. What I would like to say to the Deputy is: I want to have and am confident in C.I.C.R.A., the organisation, and the implementation of the recommendations. There is work to be done but that would not indicate that I am not recognising the fact that they have a difficult job to do, they have not been supported perhaps with other priorities within government to the extent that they are now, and that I look forward almost in a world where in 2 years' time there is enough confidence and trust in C.I.C.R.A. as today I think we have in the J.F.S.C. (Jersey Financial Services Commission).

3.2.2 Deputy M. Tadier of St. Brelade:

I am getting more confused listening to this. The Assistant Minister is presumably answering on behalf of the Chief Minister and the question is whether the Chief Minister has confidence in C.I.C.R.A. I thought I heard the Assistant Minister say he wants to have confidence in C.I.C.R.A. Can he not just give a simple yes or no answer on behalf of the Chief Minister and the department; does he have confidence in C.I.C.R.A.? Perhaps more importantly does he have confidence in the Chairman of C.I.C.R.A. to carry out that role?

Senator P.F.C. Ozouf:

If pushed, yes, I do have confidence in the institution. It is right and proper for us to say in the twilight of the Chairman's, particularly, role as discharging the function of chairman, who made it very clear from the start that this would be his second and final term, that he is to be congratulated for the work that he has done overseeing what has been effectively a merger of both the Jersey and Channel Islands Regulatory Authorities. That has not been easy. I think that the Chairman and I, who know each other well, we have full and frank discussions, and I think that he would say that from a C.I.C.R.A. point of view there is communication to be improved. But also that they need a stronger support from within government. That is why we brought it in to the Chief Minister's Department. That is why I hope that all of the Members of Reform Jersey will recognise how important this work is into delivering consumers better transparency and better value. I believe that we can get back some of that inflation that went up in Jersey over and above that of the U.K. (United Kingdom) by 15 per cent in the period in time until we had a competition law. I am not going to rest until I drag some of it back.

3.2.3 Deputy M. Tadier:

This is not of course a Reform Jersey question, and I think Reform Jersey is just trying to act as a translator between the words that the Minister is saying and that people on the radio outside are hearing, which they cannot understand.

The Deputy Bailiff:

If you could focus that into a particular question please.

Deputy M. Tadier:

The question is: it does not sound like a ringing endorsement when the Minister says: "If pushed he has confidence in the institution of C.I.C.R.A." What more ambiguous answer could he give?

The Deputy Bailiff:

Is that the question, Deputy? "What more ambiguous answer could he give?"

Deputy M. Tadier:

That is rhetorical, Sir, so I do not think that is the question.

The Deputy Bailiff:

Could you please come to the question? We are running out of time.

Deputy M. Tadier:

Does the Assistant Minister acknowledge that that in itself is not a ringing endorsement of C.I.C.R.A. and that if he does have confidence in C.I.C.R.A. and the Chairman now is the time to say that in a yes or no answer for clarity?

Senator P.F.C. Ozouf:

I think it is really unfair because what effectively has been the case is that C.I.C.R.A. has been faced with an enormously difficult task. C.I.C.R.A. was born out of a merger of the Competition Authority in Guernsey and Jersey with frankly meagre resources, with entities such as particularly... and I know I am probably going to get another strong letter from the tobacco sector.

[10:00]

There are some sectors of the Jersey economy that do fight hard. Petrol companies and oil companies are some of them. So it is almost difficult to say. I understand Members' frustration with the C.I.C.R.A. reports which could be better communicated. C.I.C.R.A. welcomed the report by Professor Sir John Vickers but this is a partnership between Government and an independent regulator which perhaps we have not merged with at this present moment, but we are going to get it and we are going to get those 23 actions implemented on an action plan and we are going to get, hopefully, an organisation in which people can have trust and confidence. The suggestions of making it work more closely with the Consumer Council ... I think competition is not the most interesting of subjects for many people but translating that into what really matters for consumers, which is working with the Consumer Council which I know, I have been talking to the Minister for Economic Development and his 2 excellent Assistant Ministers, will make a real difference. So I think we will get a C.I.C.R.A. that is going to be understood to driving down prices.

The Deputy Bailiff:

I am sorry we have run out of time for this question really. Final supplementary.

Deputy G.P. Southern of St. Helier:

We ran out of time because the Minister was allowed to waffle on ...

The Deputy Bailiff:

Well, the general answering time is 90 seconds for an answer and it should be as concise as possible.

Deputy M.R. Higgins of St. Helier:

He was asked yes or no and he came up with a long rambling answer. In fact we have to take it that it was a no.

The Deputy Bailiff:

Well, the Minister will inevitably be judged on the answer that he has given. Final supplementary.

3.2.4 The Deputy of Grouville:

The Assistant Minister's answer said: "People can have trust and confidence in C.I.C.R.A." So I shall take it from that the Minister does not, at this moment in time, have trust. "Can have" is future. May I suggest to the Minister, and ask him if he agrees with me, that the respect from the public will come when the reports command that respect. When the Assistant Minister says "stronger support from Government"; what does he mean by "stronger support from Government"? More money? Because I would suggest that it is the chicken and the egg? I would like to have confidence first

before giving any more money and that is confidence in the reports which I, for one, do not have at the moment and it would suggest, by the Minister's answers, that he believes the people do not have yet.

Senator P.F.C. Ozouf:

I have enormous sympathy and I know the Deputy has asked me some questions about a particular telecoms issue, which I know has been a longstanding constituent's issue, which has properly represented her constituent on. The J.C.R.A. has to improve their communication with stakeholders and they have to explain what they are doing better. Resources in government effectively mean, probably, an increased resource by an economist who concentrates on working out policy for competition and regulation. In the same way, and I would translate the experience we have seen with the J.F.S.C., we have a financial framework which sets out the Island's policy on financial services. The J.F.S.C. then operates and regulates within that. We do not have that with C.I.C.R.A. so it is really difficult to say to C.I.C.R.A. "Well, you are not doing the job that we want you to do but we have not set the policy framework." Now, these are the learnings that you get. C.I.C.R.A. is a young organisation. It has a cross-Channel Islands issue but we are going to get there and we are going to get consumer advocacy, clarity of purpose and we are going to get ... even George Osborne announced new measures of petrol price comparison on the M62 where there is a 3 pence margin on a litre of petrol compared to 18 pence in Jersey. Now it is improvement and I am on an improvement path and I look forward to working with Members, engaging with them, engaging with C.I.C.R.A. so that I can give them my full support knowing that they have got the right resources, support from Government and powers to go and do the very difficult job that they have got to do and I thank C.I.C.R.A. for working ...

The Deputy Bailiff:

If you could bring this to a close please, Minister. Could I just say to Members in the light of the last exchange, Standing Orders provide that questions and answers must be concise: that applies to all of the supplementary questions. Standing Orders also provide as a guideline that the first answer to the main question should be limited to 90 seconds. So I would ask Members to abide by that.