

3.11 Deputy L.M.C. Doublet of St. Saviour the Minister for Sustainable and Economic Development regarding Government engagement with Blue Islands over recent flight disruptions (OQ.125/2025):

Will the Minister advise how, if at all, the Government is working with Blue Islands to help resolve any disruptions faced in recent weeks by Islanders and visitors due to cancelled flights and other disruptions?

Deputy K.F. Morel of St. John, St. Lawrence and Trinity (The Minister for Sustainable and Economic Development):

I and my colleagues, other Ministers, appreciate the difficulties that Islanders have experienced over the past few weeks as a result of rescheduled and sometimes cancelled Blue Islands services. But it is important to recognise that these are operational matters for the airline itself. I, myself, and my fellow Ministers, continue to strongly emphasise to Blue Islands that it must work to mitigate the recent disruption they impact on their customers, and I understand that Blue Islands are working to resolve the technical issues that are affecting its fleet, and there have been additional challenges within the aviation supply chain that have exacerbated these. Ports of Jersey are also working closely with the operator to support these processes. The Government and myself will always advocate for Islanders, reinforcing to industry the importance of good practice and public engagement. But at an operational and commercial level it is properly a matter for the operator and its relevant industry partners to deal with these matters.

3.11.1 Deputy L.M.C. Doublet:

I thank the Minister for his answer, and I understand the answer. My supplementary is based around the E.U. legislation in regards to reimbursement, and compensation does not apply. Passengers are facing huge costs in terms of hotels and rerouting travel expenses. What does the Minister plan to do to ensure that customers who face these costs, Islanders and visitors, that they are reimbursed along the similar levels that they would be were they travelling within the E.U.?

Deputy K.F. Morel:

I think it is important, as we know Jersey has never been a part of the European Union, and, so, those directives do not apply to travel that includes Jersey necessarily. It is a matter that the Government is happy to look at, but there are no plans at the moment to include such compensations.

3.11.2 Deputy M. Tadier of St. Brelade:

Will the Minister confirm whether or not Blue Islands receives any government subsidy, and if so, how much that is?

Deputy K.F. Morel:

I would have to get specifics on that. If there is any government subsidy, I believe it would be for something like the flights to Paris, particular route-based subsidies. I do not believe there are any overall subsidies to the airline. I think the only one might be for Paris.

3.11.3 Deputy M. Tadier:

Will the Minister seek to publish at least which routes operating to and from Jersey are subsidised, preferably how much they are subsidised by, so that we can have a discussion publicly about the unintended consequences of certain routes potentially not receiving subsidies, while other routes therefore operators may do?

Deputy K.F. Morel:

I am of course happy to publish the details about which groups are subsidised. I would suggest that any conversation that does ensue needs to be highly technically based, and engaging in that conversation would need and be predicated on people understanding how the economics of airways work.

3.11.4 Deputy J. Renouf of St. Brelade:

I think I am right in saying that the Minister in the past has said that he did not support a compensation scheme, such as operates elsewhere, because it would affect financial viability of the airline, and it seems, given the problems that they are facing, that he is probably right. Does he think that we simply should accept that as a subscale airline it will not be able to meet the standards that bigger airlines provide, or does he have a belief that they should meet those standards?

Deputy K.F. Morel:

This speaks to my answer to the previous question about having better understandings of the economics of airlines and the way they work. I think the Deputy is absolutely right to point to small airlines versus large airlines and the different economic pressures they face. There is a reality that, for instance, inter-island and short routes from Jersey are unlikely to be served by large airlines, therefore the finances of smaller airlines are likely to be more vulnerable. It is one reason why you might seek to find airlines that have certain scale. In the past we have had Flybe, which was a regional carrier that had greater scale but obviously certainly met its own problems as well. So, I would be surprised if I said I was against compensation. I think what I said in the past was that we have to be careful when talking about compensation because it is possible that such obligations would mean that airlines just pull out of a route and say: "No, we are not going to run these routes because of those difficulties." That is what I mean by all these discussions need to be predicated on us having an awareness and understanding of the way airlines work financially.

3.11.5 Deputy J. Renouf:

It is of course a complex question. I wonder if the Minister would consider the question as to whether the expansion of the route network might have limitations, might cause problems in terms of extending the airline into areas which are core to the Island, up to the Island's transport offer, if you like. I accept that there is a "damned if you do, damned if you do not" sort of thing here, but does he think there is a limit to how much Blue Islands could extend those route networks at the very least?

Deputy K.F. Morel:

I think that is an astute observation. It is something I am often concerned about with regard specifically to Blue Islands, and whether it at times may over extend itself, because obviously it has a fleet, I believe, of 5 aircraft. One of those tends to be in reserve, and so it is flying a fleet of 4 aircraft, which is not many. At the moment, my understanding is that 2 aircraft have been out of action, which is what has put pressure on these services. I think it is important to add that my understanding is, and this is information that comes directly from the airline, I believe 4 per cent of flights on, I think it is the Southampton route, have been cancelled due to technical issues. Where there have been other cancellations, it has been due to weather and

matters outside the airline's own control. So, it is also important to put these things into perspective. If that number is correct, 4 per cent, it does suggest that the scale of the disruption is smaller than people seem to suggest. It is the case that one cancelled flight can generate lots of attention, whereas a flight which travels on time will generate zero attention. That is not me minimising it, it is me trying to say that the figures that I have seen suggest that just 4 per cent of flights have been cancelled due to matters other than those outside its control.

3.11.6 Deputy I. Gardiner of St. Helier North:

I am having a bit of déjà vu because my oral question from 11th June 2024, we are talking about a year ago, was specifically about the introduction of this compensation scheme as our Islanders are discriminated against the U.K. and E.U. residents. That time, Minister mentioned: "13.4 per cent of passengers are affected. We do not know the numbers. We need to look into the numbers." It was a year ago. Has the Minister looked into all numbers? How many passengers were affected by cancellation, not due to the weather, due to the technical operation from the Blue Islands during the year?

Deputy K.F. Morel:

As I just mentioned, there is a 4 per cent number, which comes from the airline itself. A formal review of those cancellations has not taken place.

3.11.7 Deputy I. Gardiner:

I think it is just cancellation/delays if it is only Southampton. If others are looking at what was at least published by Ports of Jersey, and I followed, last week it was a bit ... feels more than 4 per cent, but I would like to get the numbers. Again, would the Minister do any work considering how we can protect Islanders who experience high cost for the delays and for cancellations, and they will not be reimbursed by anyone.

Deputy K.F. Morel:

Well I think again, I have explained already the pros and cons, so I think it is something that the States Assembly are often faced with, the idea that we should provide schemes for X or Y. That is fine, but they come with a cost and there are implications. If we want compensation schemes they will come at a cost and there will be implications and those implications may mean that airlines choose not to run routes at all. That is something the States Assembly should be aware of. That is the reality of the situation. Compensation schemes can be brought in but the impacts of them may be adverse and may be detrimental to the Island as a whole. I think it is important to reiterate, we live on an Island, if we want to leave the Island we have to travel on either a ferry or a plane. It is always advisable to have travel insurance with you for the potential that there are cancellations or rescheduling, and also for your own health protection as well when you are abroad. I do advise Islanders, whether they are travelling on flights that have compensation or do not have compensation, I would always advise travellers to take travel insurance.

3.11.8 Deputy P.F.C. Ozouf of St. Saviour:

I am just trying to raise the thing right up to its highest level in terms of why this question is being asked and what the Minister thinks. Milton Friedman says: "Nothing is so permanent as a temporary government programme" which was the original plan to put subsidy into Blue Islands. The Minister has been asked by Members during the course of Question Time whether he will publish all the subsidies that are given. I would ask him whether or not he would be of the view that has been taken over many years that Jersey is better placed by private airlines serving Jersey without government subsidy if we compare ourselves to other islands? Would

he not agree and continue the approach whereby the private sector operating private routes without subsidy works better? Government should do fewer things, not do them better.

Deputy K.F. Morel:

If I understand that, my general stance on things is that you do not in general want Government running any commercial operations. That is a general rule. It is not a hard and fast rule but that is how I would suggest life in this Island is better served. Certainly when it comes to something as technical as running an airline, I would strongly suggest that Government should not be involved in running airlines.

[11:00]

I think that is better served by those who are able to specialise in that. There is reality, and we have seen this in the neighbouring Island, where when you do own and run an airline, losses have to be covered by the Government. They are, therefore, variable losses that will have variable impacts on the public purse. I am not convinced that Jersey would want to see variable amounts of money each year being ploughed into an airline but maybe it does. At the end of the day, if it comes to the matter of protecting subscale non-commercial routes, then it is almost certain that government subsidies would be needed to do that. So far we have been served on a commercial basis by Blue Islands, and previous to that other airlines that have served routes such as the Southampton route and inter-island routes on a commercial basis and have done so successfully. I shall seek stronger resilience in this area and maybe if it is possible to have an airline operating with many more than 4 or 5 planes, that would be helpful. At the moment we have Blue Islands who do their best - and I know they always do their best - to provide services to passengers and to make sure that lifeline services are effected. I do have assurance from Blue Islands themselves with regard to the Minister for Health and Social Services' earlier answers that Blue Islands does seek and does understand the importance of that Southampton route and does seek to make sure that its timetable protects that Southampton route as much as possible.

3.11.9 Deputy P.F.C. Ozouf:

I do not think there is anything I can really ask apart from welcome the Minister's ... I am just trying to work out how I can reconcile what he has just said with the Economic Development Department providing subsidies for new routes, but I will leave that there.

Deputy K.F. Morel:

If I could just clarify again, we do not subsidise en masse, to the best of my knowledge, Blue Islands' routes.

3.11.10 Deputy D.J. Warr of St. Helier South:

Are there any service level agreements associated with loans and subsidies?

Deputy K.F. Morel:

That is a very general question that I could not answer. The Deputy did not even say loans and subsidies to who or what.

Deputy D.J. Warr:

Sorry, Blue Islands, as the subject is.

The Bailiff:

I am prepared to accept that the question is: are there any service level agreements associated with loans and subsidies to Blue Islands?

Deputy K.F. Morel:

To be honest, I do not know, and certainly with the loan, it was done by a previous Government. It is the Minister for Treasury and Resources' responsibility, so I have no idea.

3.11.11 Deputy L.M.C. Doublet:

I understand the Minister is quoting the 4 per cent for cancelled flights, but is the Minister aware of the multiple delayed flights, especially over the past week, some delayed for up to 30 hours, and no staff at any of the airports and no support with ongoing transport, which left some passengers stranded in the middle of the night at Jersey Airport with no taxis available. He mentioned the insurance companies. Is the Minister aware that Jersey insurance companies are not paying out for these costs because they are saying that they are covered by the E.U. (European Union) law? Would he look into that, please? Also, would he take note of the results of the Jersey Consumer Council investigation and survey because they are looking into this? Could he ensure that if this airline is at risk of collapse that Government steps in to prevent this?

Deputy K.F. Morel:

I am concerned about the Deputy's tone when she talks about airlines being at risk of collapse. That is something that the Deputy, I believe, has created herself. I do not know that this airline is at risk of collapse.

Deputy L.M.C. Doublet:

I think that is impugning improper motives.

Deputy K.F. Morel:

It was no way impugning.

The Bailiff:

Well I do not think that you were suggesting that the Deputy was creating an imminence of collapse but were you? I am seeking clarification from you, I think.

Deputy K.F. Morel:

No, I am not suggesting it. I am just suggesting that I do not know where this risk of collapse has come from.

The Bailiff:

Well I think, Minister, it is still for you to answer the question that has been posed to the extent that it dealt with other matters as well. It was a very large supplemental question.

Deputy K.F. Morel:

I noticed that and my memory is not that large. Certainly with regard to matters such as insurance companies not paying out because they say things are covered by the E.U. laws, then I would suggest that that is something that should be taken up with the appropriate ombudsman. I believe in this case that is the Channel Islands Financial Services Ombudsman and that would be absolutely the appropriate place for people to direct their complaints around that. If the Deputy is receiving complaints around insurance, then I would ask that she directs those constituents to the Channel Islands Financial Services Ombudsman.

The Bailiff:

Very well, we do not have question 13 because that was one of Deputy Wilson's questions. We come to question 14 that Deputy Renouf will ask of the Minister for Health and Social Services.