

9. The Minister for Economic Development - statement regarding public consultation on the ferry market

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

A different subject of course; the matter of public consultation for the ferry markets. A comprehensive Green Paper looking in some depth at the issues of both the security of supply and the regulation of fares in the ferry market is now at an advanced state of production. Recognising that the transport needs of Jersey and Guernsey are similar and that the network of routes is dependent on both Bailiwicks, it has been decided that the public consultation process should be extended to be available to all those living in the Channel Islands. To this end we are working at both political and staff level with our colleagues at the States of Guernsey Commerce and Employment Department. It is hoped that the consultation will commence in January with the issue of a green paper and will run for 8 weeks ending in March 2010. Following the consultation it is intended that the Minister for Commerce and Employment in Guernsey and I will be in a position to make statements in April 2010 on both Islands' future sea route policy.

9.1.1 The Deputy of St. John:

I have real concerns with the Minister agreeing to get involved with Guernsey and I will give the reasons. The reason being that as a former Vice-President of Jersey Transport Authority at the time of tender proceedings and the process for the shipping routes between Jersey and the U.K., both the Jersey Transport Authority and the Guernsey Board agreed that P&O ferries, after the tender process, should take the route. Within a week of that joint decision being made, Guernsey changed their board members around so as to keep Condor on the routes. If ever I saw a more corrupt decision of inward interests being looked after their own, that was it. Will the Minister please tell Members how he expects Guernsey to stand by any decision that is made on sea routes and will he fall on his sword if Guernsey reneges on any deal between both Islands?

Senator A.J.H. Maclean:

I am certainly not prepared to fall on any swords over this matter. The Deputy raises some historic views regarding sea routes, I prefer to concentrate on the present and the future. The relationships between Jersey and Guernsey have improved considerably. Certainly I have a very positive working relationship with my counterpart in Guernsey and it is without doubt in the interests of both Islands that this, and I have to stress this is a consultation, the consultation is carried out jointly across the Channel Islands. We are talking after all about a network of routes and it is appropriate that we get the views of both Islands and residents from both Islands in particular.

The Deputy Bailiff:

Deputy Fox. There are numbers of Members wishing to ask questions, we only have 10 minutes. We will come back to you, Deputy, in due course.

9.1.2 Deputy J.B. Fox:

Thank you. Security of supply and the regulation of fares is a very important aspect on this particular subject, and the comprehensive Green Paper I would be asking for the Minister to ensure that it covers what the public also want in the way of questions, i.e. fair sea routes to all, as many a time they are sitting on a boat and the one next door to them from the U.K. has had a far lesser price than the short leg going across to Saint-Malo. If he could ensure that it is looked at in that respect as well.

Senator A.J.H. Maclean:

Yes, Deputy Fox has been extremely helpful and constructive in his comments to both me and the department in this regard, and I can assure him we have taken on board many of his concerns with regard to the consultation document and we will be trying to include as much of what he

believes is important into that document to make it as valuable as possible. I thank him for his involvement.

9.1.3 Deputy K.C. Lewis:

I was pipped at the post a little bit by the Deputy of St. John. My question, as I consider that the ferry system is the lifeblood of the Island, if and when a new ferry operator agreement is signed by Jersey and Guernsey, will the Minister ensure that the agreements are signed simultaneously by the Bailiwicks of Jersey and Guernsey, not as previously when Guernsey signed one in advance of Jersey leaving us with little choice?

Senator A.J.H. Maclean:

I agree with the sentiments of the Deputy entirely and certainly should there be a requirement in the future for a new operator and a new agreement to be signed, it is appropriate for both Islands to sign jointly. I hasten to add yet again and stress, this is a consultation we are talking about, not the signing of agreements; nevertheless if there is a future requirement then we will make absolutely certain that it is done in an appropriate way for the good of both Islands.

9.1.4 Deputy D.J. De Sousa:

Will the Minister be considering in this process offering subsidies in the same way as some airlines have received through the airport?

Senator A.J.H. Maclean:

I do not particularly like the term “subsidy” as such but the sea routes and air routes dynamics are very different. Nevertheless, should an operator come forward with a proposition that is in the interests and benefit of the Island from an economic perspective, it will go through an economic model that we have got to assess the value to the local economy in terms of inbound traffic and spend levels. If that meets the necessary criteria, the answer is yes. We had an inquiry very recently this year which I unfortunately could not support because it was not in the interests of the Island and it certainly was not in the interests of the tax payer.

9.1.5 Deputy S. Power:

I do believe and I do agree that all Channel Islands must work together to find a final solution to this ongoing ferry situation. To what extent does the Minister feel that any public consultation across the Channel Islands will influence any pitching of fares and any supply of services?

Senator A.J.H. Maclean:

I think the consultation process is there from an informative perspective. I do not think it will be in itself a tool that will set these, or indeed services. I certainly hope that out of the consultation we will get a clearer view of the public’s requirements for sea route services and that in itself will determine a key element, and that is as to whether we need to have a much stronger or indeed any form of regulation; light touch or not.

9.1.6 The Deputy of St. John:

Will the Minister hopefully learn from the past? Given that we are 70 per cent of the routes, will the Minister use his muscle and his persuasive powers to make sure that Jersey gets a reasonable return on its money, on its investment, given that currently most routes northbound stop in Guernsey on the way to the U.K. and all our travelling public are put through 45 minutes to an hour delay on their journey to get to England? Could he make sure that at least one journey per day is direct to and from the U.K. in high season?

Senator A.J.H. Maclean:

What I can say to the Deputy is that I will be listening, as indeed my counterparts in Guernsey, very closely to the results of the consultation and I would encourage him to enter into and to

participate in the consultation. I think the views of the Deputy and members of the public of the Island are essential in terms of formulating the best sea route policy we possibly can in the future that meets the requirements of all Islanders.

9.1.7 Deputy A.E. Juene:

Could the Minister advise who instigated this Green Paper in the first place? Was the approach made by the ferry operators or has this come about from States Departments?

Senator A.J.H. Maclean:

Yes, I can advise. It came about from my department; Economic Development. We thought it was important to get some additional information into the sea route and, indeed, to seek the views of the public. There have been a lurking number of views around for some months and indeed years and we want to flesh those out so that we can have and develop a better sea route service if that is possible.

The Deputy of St. Mary:

Can I say that I welcome this joint consultation with Guernsey? It seems eminently sensible and I would also welcome the chance, as no one else wants to ask a question on this, to ask for another one on camping. [Laughter]

9.1.8 Deputy M. Tadier:

Following on from the question of the Deputy of St. John, and seeing as our Guernsey colleagues are not here to defend themselves, would the Minister confirm that when Guernsey people travel to France using this boat service that they also have to wait in Jersey on the way sometimes and so it is an inconvenience that works both ways?

Senator A.J.H. Maclean:

I believe that is the case and in fact Members should also remember, from Guernsey's point of view, the route to France, being slightly more northerly than we are, is more challenging. Certainly the numbers that they see on both legs of the southern route for them are not the same as ours so of course they do have their own challenges in that respect.