

The logo for the Jersey Competition Regulatory Authority (JCRA) is contained within a red-bordered square. The letters 'JCRA' are written in a large, white, serif font. Below the letters, the full name 'JERSEY COMPETITION REGULATORY AUTHORITY' is written in a smaller, white, sans-serif font, arranged in four lines.

JCRA

JERSEY
COMPETITION
REGULATORY
AUTHORITY

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The background of the cover is a photograph of a large, square stone tower built on a rocky cliffside. The tower has several small, rectangular windows. The scene is captured during the 'golden hour' of sunset or sunrise, with the sky in shades of blue and orange. The tower and the surrounding rocks are reflected in the calm water of a tidal pool in the foreground.

Strategic Plan

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*“To promote competition in the supply
of goods and services in Jersey”*

COMPETITION (JERSEY) LAW 2005



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In 2020 the Jersey Competition Regulatory Authority (the Authority) was reconstituted with a solely local focus.

We now have an exciting opportunity for us and Jersey. A chance for review and renewal, for building and maintaining public understanding, trust and respect. And to consider how we can best help shape and sustain the island's economic future. Importantly, the change has also enabled our restructured, independent, and experienced team to develop a strategy focused on Jersey markets, issues and needs.

This document sets out that strategy and the plan to achieve it. It explains our strategic goals, the context within which they have been developed and the intention to build capacity to deliver them. It sits above the one-year business plans delivered on a rolling basis, which will continue being published each year. These annual business plans will give more detail about the projects planned to implement our strategy and achieve our goals.

While a robust forward-looking strategy will help focus our efforts, we are mindful that the coming years will see significant and wide-ranging economic, political, technical and social changes. Within this context, we will strive to make the most efficient and effective use of our resources, working to maintain strategic progress while also dealing with day-to-day operational duties.

We recognise that achieving this balance will require a flexible approach at times. Also a willingness to review and accommodate discretionary and non-discretionary projects and activities, and to pragmatically adjust priorities and reset expectations as needed. At all times, however, we will be guided by an imperative to deliver best outcomes and value for Jersey.

This strategy does not have a set time period, instead it will be kept under review to ensure it remains appropriate to the latest market developments. We will proactively engage with stakeholders to inform this.

Our work on regulation and competition impacts all Jersey consumers, citizens and businesses. Competition and regulation work for the benefit of consumers when businesses compete fairly and when consumers are empowered, confident and able to exercise informed choice. We will work together with Government, other Jersey Regulators, consumer bodies and stakeholders to deliver our vision of healthy and sustainable markets in goods and services for Jersey.

We are setting ourselves up to achieve the ambition of this new strategy in line with our values and are looking forward to delivering on behalf of all islanders.

This section sets out:

- Background
- Policy drivers
- Our policy framework

2.1 Background

Competition law and economic regulation seek to achieve economic efficiency and sustainable competition. This allows consumers to have the benefits of fair prices, desirable goods and services and the opportunity to choose what they want to buy. This can be challenging at times in a small market, such as Jersey, given understandable economic constraints. But equally, can present opportunities to consider pragmatic approaches tailored to market needs. For example:



Small domestic markets: Limits the potential for competition and increases the scope for market dominance, as there may be limited opportunity to support multiple suppliers. But being small also offers opportunities for ground-breaking market developments. For example, an all-island fibre to the premises network, which, if well-regulated, provides significant benefits to consumers and businesses.



Informal and complex relationships between individuals: Individuals may try to resolve issues in ways other than engaging with us through formal procedures. Through close connections with the local business community, however, there is the opportunity to inform and educate on the need to constructively engage with us.



Small population and administrative constraints: It is more difficult to find the required technical expertise to support competition and regulation policy. Conversely, there are the opportunities to build a broad and strong breadth of knowledge within the local team, rather than create narrowly focused expertise.

Taking this into account, it is clear that the economic benefits of conducting competition and regulation policy well can be substantial and the challenges and opportunities above reinforce the need for a forward-looking strategy to help realise these benefits.

2.2 Policy drivers

We do not operate in a vacuum. To address future challenges effectively and to achieve our ambitions, we need to have an understanding of factors and influences shaping both our activities and the wider Jersey economy. These are considered under three broad categories:

- Government drivers
- Global drivers
- Technology drivers

2.2a Government drivers

Government intervenes in markets in pursuit of its obligations and policy objectives. For example through supplying services, buying, regulating, taxing or subsidising. In some areas these interventions and Government objectives are formalised in policies, such as the telecommunications sector.

Future priorities for Government are set out in the Government Plan and the current key priority areas are:

- Putting children first
- Improving islanders' wellbeing and mental and physical health
- Creating a sustainable, vibrant economy and skilled local workforce for the future
- Reducing income inequality and improving the standard of living
- Protecting and valuing the environment

While an independent body, we seek to ensure our work, where appropriate, supports these objectives and we work collaboratively with Government to help meet them.



2.2 Policy drivers



2.2b Global drivers

The wider world is increasingly interconnected and interdependent; global factors invariably exert influence on Jersey consumers, citizens, business and economy. Prominent examples are:

- **The ongoing coronavirus pandemic, and its aftermath.** This will affect many areas of our work. For example the economic adjustment to the pandemic is likely to lead to higher rates of business failure, impacting competition. Consumer preferences may also have changed, permanently, and this could have an impact on regulated sectors.
- **Concerns about climate change.** This is having a significant and wide-ranging impact, changing market dynamics and consumer behaviours. Jersey has declared a climate emergency and is working towards being carbon-neutral by 2030. Supporting the Government strategy is likely to require a change in approach or even new regulations for sectors where we have responsibility.
- **The UK's exit from the EU.** This presents both challenges and opportunities for Jersey and there is ongoing uncertainty over the full impact of Brexit for the UK and the Crown Dependencies.

While these specific global factors are highlighted, we recognise others that may impact on our work in the future and must, therefore, remain under review. Achieving this means we must deepen and make more extensive use of our existing close relationships with other competition and consumer authorities, and networks, internationally. Markets are increasingly international, and different jurisdictions face many of the same challenges, many of which cannot be addressed in isolation.

2.2 Policy drivers

2.2c Technology drivers

The increasing rate of technological change, both globally, nationally and locally, presents opportunities and threats. These are especially relevant to us, with our regulatory responsibilities for the ports, postal and telecommunications sectors, and for competition, as disruptive technology blurs traditional market boundaries. Key technology changes include:

- **The development and roll-out of next generation telecommunication services** - For consumers and businesses, the technology presents opportunities to enhance mobile living and working choices. For operators, the roll-out will require new investment and result in changes to business models, offering both threats to existing applications and services alongside opportunities for exciting new ones.
- **Digitalisation** - Digital transformation goes well beyond computerisation and use of information and telecommunications technologies. It has changed how we shop, how we interact and may soon change how we travel. Fundamentally, it has changed how we live. Within this context, the rise of 'platforms' in recent years and their harvesting of 'big data' is also having a transformative effect on our lives. Much of present laws, regulations and licencing approaches are based on historically defined technology principles and systems. The increasing extent of digitalisation will require an agile and open-minded approach to competition and regulation.
- **Development of Internet of Things (IoT)** - The roll-out of next generation telecommunication services will enable the ubiquitous connection of devices to the internet – from farming implements to fridges, to parcels. This presents opportunities for governments, business and consumers, but also potential security and privacy threats that may need regulation to ensure public acceptance and confidence.

These technology drivers mean we need to continually undertake 'horizon scanning' work to proactively anticipate market and technology developments that may impact both competition and the regulated sectors. We will work collaboratively with our stakeholders to understand the impact of such developments on their businesses. And on understanding what the Authority would need to do to ensure maximum benefit to the Jersey economy.

2.3 Our policy framework

In deciding the projects which are included in the business plans and assessing new discretionary projects¹ as they arise, we use our published “Prioritisation Principles”, which consider for each project, its:

- Impact on consumers and the wider economy;
- Strategic significance and synergy with the Authority’s objectives;
- Risks, in respect of a successful outcome and potential detriment; and
- Resource requirement, including proportionality and the implications of doing the work.

The use of the principles help ensure our focus is on delivering value to Jersey consumers, citizens, business and the economy.

Within our work programme we have reference to Government policy and where relevant, established policies, such as in the telecommunications sector. With respect to competition, our aim is to ensure an approach that is consistent with European Union Competition Law. Our approach to telecommunications services closely follows the UK and spectrum and numbering are managed by the UK regulator Ofcom on our behalf. While there are not direct regulatory parallels for the other sectors we regulate, our approach to them is centred on the use of regulatory best practice.

We possess extensive legal powers to ensure that the Jersey Competition Law and our regulatory duties are upheld. While we are determined to use these as required, our first intention will be to use information, communication and influence to achieve our strategic outcomes wherever possible. Examples of this include:

- Publishing guidelines to help businesses and individuals understand their regulatory and competition responsibilities under the law;
- The use of informal softer powers if this will resolve the issues in a more efficient manner; and
- Regular contact with key organisations to pre-empt issues occurring.

To maximise our impact in Jersey, we communicate and work with other on-island regulators, both formally and informally, with the overall aim of improving outcomes.

More widely, we have bilateral relationships with counterparties within Europe and around the world. Key counterparties include the Guernsey Competition & Regulatory Authority (GCRA)², Ofcom and the Competition Markets Authority (CMA) in the UK. We also participate in the work of bodies such as International Competition Network and the Small Nations Regulators’ Forum.

¹ Some of our work, such as merger control, is ‘non-discretionary’: it must be carried out irrespective of wider developments.

² We have a formal memorandum of understanding with the GCRA.

Our mission is to help markets work efficiently in the interests of consumers, businesses and the wider Jersey economy by encouraging innovation, investment, value for money, choice and quality, making Jersey an attractive place to do business.

This is to achieve our vision of healthy and sustainable markets in goods and services for Jersey.

We pursue our mission and vision by applying the following four strategic goals which are interrelated and mutually reinforcing:

Strategic goal 1: Protect and encourage competition

- Enforce Competition Law effectively - with a key focus to prevent the application of anti-competitive arrangements and the abuse of a dominant position in a market and to assess mergers to prevent any substantial lessening of competition.
- Encourage competition where appropriate and proportionate - use the market studies regime to address issues with competition in those markets where change would most benefit islanders.

Strategic goal 2: Deliver effective supervision of regulated sectors

- Ensure the effective regulation of specified sectors.
- Encourage continuity and security of supplies of goods and services by enabling environmental and other best practices.

Strategic goal 3: Safeguard consumers

- Using both competition and regulation powers, empower consumers to exercise informed choice and help markets work in the best interest of Jersey as a whole.
- Support and work effectively alongside other Jersey consumer bodies.

Strategic goal 4: Maintain the Authority's reputation and resilience

- Build knowledge and capability to meet future requirements and challenges.
- Complement and support the work of regulatory and enforcement authorities in Jersey (and beyond) and act as a trusted adviser to Government.

3 Strategic goals and values

In achieving our strategic goals we aim to live by our values.

The Values of the Authority

Trusted and Independent

We engender trust by making clear and proportionate decisions, being open and transparent and working for the public interest.

Collaborative and Considerate

We listen and engage with all stakeholders.

Diverse and Inclusive

We promote diversity and equality inside and outside of our organisation by treating everybody with respect and dignity.

Proactive and evidence based

We seek to have maximum impact by holding a proactive, independent, non-judgemental and inclusive outlook.

Determined

We balance the use of soft and hard powers, are resolute in our decision making, while being innovative in our approach.

For each strategic goal, we set out a broad overview of how it will be achieved along with contextual information to help explain considerations and approach. As this strategic plan sits above the annual business plan, it does not include everything we intend to deliver, instead it is a broad overview of our key focus to ensure delivery of the strategic goals.

4.1 Strategic Goal 1: Protect and encourage competition

Competition is crucial in stimulating an efficient and strong economy, encouraging growth and moderating inflation. In well-functioning competitive markets, consumers have the benefits of fair prices, desirable goods and services and the opportunity to choose what they want to buy. This drives further competition and innovation.

Our competition interventions contribute to this vital agenda, including:

- **Strong independent merger control** - Jersey's merger control regime prohibits the implementation of certain mergers and acquisitions until we have approved them. While merger control is not a discretionary activity, our focus and analysis is on mergers that have a tangible impact on Jersey consumers, citizens, businesses and the economy.
- **Competition investigations** - If we have 'reasonable cause to suspect' we can carry out an investigation into a potential breach of the Competition Law. Independent competition enforcement helps ensure businesses compete fairly to the benefit of consumers. Any investigations we undertake will be run in line with best practice set out in the Framework on Competition Agency Procedures (CAP).
- **Advocacy** - Our advocacy programme will play a key role in raising awareness of legislative requirements, educating and encouraging businesses to review their behaviours and report any wrongdoing.

Our market study programme exists to provide important and comprehensive understanding of local markets and insight on how well they are working for Jersey consumers. Market studies are a flexible tool to explore whether a market or features of a market are working well for Jersey consumers. By carrying out this analysis, we can determine whether action that will encourage changes to consumer behaviour, business behaviour, or both, will help address any market problems found.

**4.1 Strategic Goal 1:
Protect and Encourage Competition**

Strategic Context:

The Changing High Street

The coronavirus pandemic has greatly accelerated an already changing retail experience. Not just for those shopping for goods, but impacting on the delivery of services too. Markets traditionally served across a counter are under pressure to change.

The approach to protecting and encouraging competition has to follow this trend, adapting and evolving to ensure effective competition in the area of traditional goods and services is maintained. New challenges will arise involving issues such as cross-border trade, payment by cryptocurrency, online guarantees and returns, and so forth. Government and regulators must anticipate and shape the laws and regulations needed to protect consumers in this new world.

While Jersey may not be at the forefront of changes, it certainly will not be isolated or immune. We will need to monitor changes to selling and buying practices over the coming years, responding in a timely manner to ensure competition is protected and encouraged so that Jersey consumers continue being fairly served and supported.



4.2 Strategic goal 2:

Deliver effective supervision of regulated sectors

In regulated sectors, it is important that consumers, as well as wider stakeholders, have trust in regulation and that regulation provides the right balance of outcomes, both now and for the future. Achieving this will become increasingly more challenging as the sectors are subject to change and it is essential we understand and are able to respond effectively to ways in which business models, technologies and consumer behaviour evolve.

In each of the sectors we regulate we will have the following overall objective:

- **Air and Sea Port Operations** - The airport and sea port are critical to Jersey's national infrastructure. Our objective is to protect and further the interests of users of port operations, where appropriate by promoting competition. This objective will be met in light of the impact of the pandemic on demand for services and the long-term investment requirements.
- **Postal Services** - Postal services play a vital role for Jersey consumers, citizens, businesses and the economy. Our objective is to protect and further the interests of users of postal services, where appropriate by promoting competition. This objective will be met in light of continuing change in the sector, this includes the decline in letters and the transformation of the parcels sector.
- **Telecommunications Services** - Secure, resilient and good value telecommunications services are vital for Jersey consumers, citizens, businesses and the economy. Our objective is to encourage sustainable competition, which will deliver innovation, value for money and service development for the benefit of consumers. This objective will be met in light of an increased focus on cyber security and network resilience and the need to ensure investment in next generation services.

Across all sectors, we regulate with the aim of achieving the best outcome for Jersey. We recognise the importance for Jersey of critical operations provided across these sectors and will carefully consider the significant future challenges they may face, including the need for future investment. That said, the leadership, management and operation of regulated companies is the responsibility of their boards and executive teams. Nevertheless, where we see risks for consumers emerging or sustained poor performance by companies, we will not hesitate to step in, using formal powers, if needed.

4.2 Strategic Goal 2:
Deliver effective supervision of regulated sectors

Strategic Context:

Sustainability

Awareness of and commitment to a more sustainable future is widespread and growing. Already a mainstream topic for governments, businesses and consumers, the need for organisations to adopt more sustainable approaches to operating practices will surely soon be unquestionable.

The future regulatory challenge will revolve around the likely impact on different sectors caused by new ways of producing, collaborating, working, living and thinking. Government intervention is expected – Jersey has committed to carbon neutrality by 2030. Businesses too will face costs to meet the sustainability challenge and there is likely to be decreasing consumer tolerance of non-compliance. There are likely to be new laws, changed regulations, firmer guidelines and clearer expectations.

We must account for all this and more within our plans. We must embrace sustainability within our working practices and align with Government plans and policies on the subject. We must further understand and accommodate the opportunities and threats presented to regulated entities and support public expectations of a more sustainable future.



4.3 Strategic goal 3: Safeguard consumers

Consumer harm can be substantial when markets do not work well. We will play a key role in promoting the interests of consumers and be vigilant to new and emerging forms of consumer harm.

To support this, we will seek to improve our understanding of the issues faced by consumers so we can drive positive change. This will be facilitated by our engagement with Jersey consumer organisations. More broadly the Jersey Regulators' Forum, will look at key issues that are affecting the Island and work collectively with Government and businesses to develop appropriate policies for the future.

As we have a dual role, with both competition and regulation powers, we will promote the consumer interest in a holistic way, through the use of all of our tools. For example:

- **Under competition:** Merger control prevents mergers that could harm consumer interests, while the selection of markets within our market study programme will take into account the impact on consumers.
- **Under regulation:** We collect, review and publish quality of service statistics for air and sea port operations and postal services, alongside publishing key information on telecommunication services. Further, if all other avenues have been exhausted, we act as a complainant of last resort and may seek to broker a resolution on an individual consumer's behalf.

Across all of our work, we will remain a consumer focussed rather than consumer facing organisation. This said, an increased focus on safeguarding consumers will help us deliver tangible benefits which are targeted at issues that matter for Jersey consumers.

4.3 Strategic Goal 3: Safeguard consumers

Strategic Context:

Personalised services and pricing

The rise of 'platforms' in recent years and their harvesting of 'big data' is having a transformative effect on some markets. Armed with intimate knowledge of customer behaviours and preferences, it's becoming increasingly possible to tailor services, and potentially prices, to individual needs as never before.

While such technical advances can create additional value, there will invariably be winners and losers. Regulation will have the important but challenging role of levelling-up increasingly complex markets to ensure they work for all rather than just a chosen few.

We will need to understand the potential for 'platforms' and 'big data' to impact on local markets. Jersey's status as a self-governing island can already lead to disadvantages when it comes to certain online services. There may be an important need to work with government, the digital community and online service providers to minimise future detriment or damage to consumers.



4.4 Strategic goal 4:

Maintain the Authority's reputation and resilience

The three strategic goals set out above mean we have had to develop how we work. As an independent body we have set ourselves up to achieve and equal the ambition of this strategy. Maintaining the Authority's reputation and resilience will help us meet future challenges effectively. Key areas include:

- **Resource and staffing** - We have a small interdisciplinary team which is agile and efficient. Over the longer term we will continue to develop the team and ensure robust succession planning is in place. In light of our size, we have in place a panel of external expert consultants to provide specialist support when required.
- **Funding** - We are funded by a combination of grants from Government plus licence fees for the regulated sectors. Our objective is to be an efficient and effective body. This will be delivered through strategic planning and an integrated approach to our budgets and forecasts. This will support a sustainable fee structure.
- **Corporate governance** - Good governance is central to our role. Jersey has an excellent reputation for being a well-regulated market. A clear and consistent approach to regulation and its pragmatic implementation will position Jersey as an increasingly attractive place to do business.

To support this, we will deepen and make more extensive use of existing close relationships with other competition and consumer authorities, and networks, both Jersey based and internationally. This will help address issues which cannot be fully seen or addressed in isolation. Complementing this engagement, we are pleased to be working collaboratively with Government, to identify and focus on areas of critical importance to it. Our ambition is to deepen this collaboration and for us to be seen as a trusted independent advisor to Government.

4.4 Strategic goal 4:
Maintain the Authority's reputation and resilience

Strategic Context:

Addressing change

Recent years have witnessed change at a startling pace. New political views and realities; new divisions in economic equalities; new ways of living, working and communicating; new technologies touching just about every aspect of work and living. These have been compounded by the global coronavirus pandemic, with unprecedented impact.

In the face of such fast moving developments, regulation and approaches to competition need to constantly change in response. Applying yesterday's laws, regulations and principles to meet the challenges arising from today's or tomorrow's markets and expectations is an approach full of shortcomings. Regulators must be ahead of the curve, or at least on top of it.

Remaining contemporary will require us to evolve over forthcoming years. Assessing and adapting best practice approaches from comparable jurisdictions will assist the process, along with a focus on developing our capabilities and understanding of Jersey's economy.



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