

The background of the cover is a photograph of a white lighthouse perched on a rocky cliff overlooking the sea. The lighthouse is a multi-tiered structure with a glass-enclosed lantern room at the top. The cliff is composed of dark, jagged rocks, and the sea is visible in the foreground with some seaweed. The sky is blue with a few wispy clouds. A large, semi-transparent '2022' is overlaid on the right side of the image. In the top left corner, there is a red-bordered box containing the JCRA logo and name. In the top right corner, the date and version are listed. At the bottom left, the address and contact information are provided.

JCRA

JERSEY
COMPETITION
REGULATORY
AUTHORITY

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Version: Final

2022

BUSINESS PLAN

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The Jersey Competition Regulatory Authority (**the Authority**) is responsible for promoting competition in the supply of goods and services in Jersey, together with the economic regulation of the ports, postal and telecommunications sectors.

Over the past year, we have seen the continued importance of our work on regulation and competition, which impacts all Jersey consumers, citizens and businesses. But as markets develop in response to government, global and technology drivers, the focus of our work is transforming fast. It is an exciting time for Jersey and for us - it requires long-term focus alongside speed and agility in response to change.

It will be essential that we maintain close working relationships with all our key stakeholders to ensure that we keep abreast of internal and external factors that may affect the sectors we regulate. We must also be confident that competition remains effective for the benefit of our economy and our citizens.

Against this backdrop, in 2021 we launched our Strategic Plan. In this plan we set out our mission 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 mission guides our vision to encourage healthy and sustainable markets in goods and services for Jersey.

This Business Plan is a key building block for us to meet these goals. It sets out the work we plan to complete in 2022 to deliver our strategic goals. We also show how we will measure success and fund our responsibilities effectively and efficiently.

We would like to thank our stakeholders for their contribution in the development of this plan. We look forward to delivering value for all Islanders and the Jersey economy.

In this section we provide an overview of the strategic context which has shaped the emphasis and detail within our Business Plan.

The section is split into three subsections, which focus in turn on:

- Our duties and influencing policies
- Strategic plan and direction
- Key drivers for 2022

Our duties and influencing policies

First and foremost, we are mindful of important responsibilities placed upon us for upholding Jersey's Competition Law and our duties in connection with Regulatory Laws. Within this framework, some of our activities, such as merger control or statutory investigations, are 'non-discretionary'. They must be carried out regardless of wider developments. This non-discretionary work must always influence our priorities and planning.

While an independent body, we seek to ensure our work, where appropriate, supports Government objectives and where relevant, established policies. The current key priority areas for Government 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; and
- 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.

To maximise our impact, we also 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. A key counterparty is the Guernsey Competition & Regulatory Authority (GCRA). In particular we engage with the GCRA on pan-Channel Island issues, carrying out joint projects where appropriate. Within the UK, we work and engage with the Office of Communications (Ofcom) and the Competition Markets Authority (CMA).



Strategic plan and direction

As an independent regulator, we have ambitious aims to help shape and sustain the Island's economic future, for the benefit of Jersey consumers, citizens and businesses. These aims are captured in our Strategic Plan. It is the guiding framework within which we shape, prioritise and deliver our annual Business Plan.

Within the Strategic Plan we set out four strategic goals:

- Strategic goal 1: Protect and encourage competition
- Strategic goal 2: Deliver effective supervision of regulated sectors
- Strategic goal 3: Safeguard consumers
- Strategic goal 4: Establish the Authority as a respected organisation

Our Business Plan work areas relate to one or more of these goals, with specific projects or business-as-usual activities planned to ensure we meet our ambitions and deliver on expectations.

Deciding which to include within the Business Plan is dependent on two factors:

1. Our prioritisation principles, which are:

- 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.

2. Our assessment of the present operational environment, considered under three broad headings:

- Government and Jersey economic drivers – local factors likely to impact on the Jersey economy, Government planning and decision-making;
- Global drivers – broader factors arising from societal, geopolitical, natural trends and events; and
- Technological drivers – specific factors arising from technical and structural developments that may require consideration within competition or regulatory frameworks.

This assessment helps ensure our Business Plan supports us in meeting our goals.

Key drivers for 2022

Although the worst direct impacts of COVID 19 are likely to decline during the timeframe of this plan, significant aftershocks may be experienced and addressed by Jersey consumers, citizens and businesses.

These aftershocks may include associated supply chain disruption, increasing inflationary pressures and changes to business models to reflect the post pandemic experience. These sit alongside the uncertainties over the full impact of the UK's exit from the EU, on both the UK and the Crown Dependencies.

These pressures will be reflected in our work on regulation, with an increased focus from us on ensuring our approach provides the right balance of outcomes, both now and for the future. In particular, this will be reflected through an increased focus on Ports and Post with multiyear reviews. Our reviews are intended to ensure our approach delivers effective supervision of these critical services for Jersey. These reviews will sit alongside our ongoing focus on Telecommunications and ensuring Jersey's spectrum and numbering are effectively utilised and the foundations laid for next generation services.

Wider technological drivers continue to disrupt existing business models across all sectors, with the power to both positively and negatively influence our economy and society. Among those areas holding our attention – to a greater or lesser extent – will be ecommerce and online retailing,

next generation telecoms, satellite broadband, fraud and security and online content concerns. We plan to remain abreast of these developments, acting in some cases, assessing in others.

Alongside this, we will continue to focus on protecting and encouraging competition. We plan to engage in wider advocacy work in 2022 to explain and highlight the importance of Competition Law. And we will continue to use our market study programme to provide important and comprehensive understanding of local markets and insight on how well they are working for Jersey consumers. We will also work with Government to make recommendations for amendments to competition legislation for the benefit of the Island.

The drive towards an environmentally sustainable Island will increasingly exert influence on both our organisation and those we regulate or engage with. This will be reflected in our internal thinking during 2022 and help shape possible approaches to assessing involvement in external activities.

Our work areas reflect our responsibilities for promoting competition in the supply of goods and services in Jersey, together with the economic regulation of the ports, postal and telecommunications sectors. The work areas are:

- Administration of the Competition Law
- Market Studies
- Regulation of Air and Sea Port Operations
- Regulation of Postal Services
- Regulation of Telecommunications Services
- Regulation of Spectrum and Numbering
- Organisation Development

This section provides an overview of each work area and within each, key activities planned for 2022. Each key work area is also mapped to a different area of focus, where the focus areas align with our four strategic goals, which are:

**Strategic goal 1**

Protect and encourage competition

**Strategic goal 2**

Deliver effective supervision of regulated sectors

**Strategic goal 3**

Safeguard consumers

**Strategic goal 4**

Establish the Authority as a respected organisation

Administration of the Competition Law

Overview

The Competition (Jersey) Law 2005 promotes competition in the supply of goods and services in Jersey. Competition law is designed to deal with three main issues:

- anti-competitive arrangements;
- abuse of a dominant position in a market; and
- mergers that are harmful to competition

In line with the Strategic Plan we enforce Competition Law effectively, with a focus to prevent the application of anti-competitive arrangements and the abuse of a dominant position in a market. We also assess mergers to prevent any substantial lessening of competition.

Key work areas

Work area	Focus	Further detail
Merger Control		Assess mergers notified for clearance in line with published guidelines.
Competition Investigations		Carry out investigations into possible breaches of the Competition Law and address complaints received.
Competition Guidelines		Review our existing guidelines and refresh where appropriate.
Advocacy and Training		Continue to promote and support competitive markets in Jersey, by the provision of information and guidance in a variety of forms as appropriate for different stakeholder groups.
Competition Law Amendments		Work with Government to make recommendations for amendments to competition legislation for the benefit of the Island.

Market Studies

Overview

A market study is a flexible tool to explore whether a market, or feature of a market, is working well for Jersey consumers. It considers the relationship between consumer behaviour in a market, the behaviour of businesses in that market, and the market's structure. By looking at these relationships, we can determine whether action that will encourage changes to consumer behaviour, business behaviour, or both, will help address any market problems found.

Consistent with our Strategic Plan we use the market studies regime to address issues with competition in those markets where change would most benefit Islanders.

Key work areas

Work area	Focus	Further detail
Competition Law Amendments		Work with Government to make recommendations for amendments to competition legislation, including new powers for market studies, for the benefit of islanders.
Market Study Advocacy		Use market studies to promote a competitive environment and raise awareness of competition policy and its benefits among businesses, consumers and public institutions. This includes carrying out follow up work to support the findings of completed market studies if required.
Market Study Delivery		Complete the three market studies currently in progress, Alcohol Pricing and Promotions, Freight Logistics and Telecoms Retail Pricing, in line with the published timetables. Following on from these, undertake a targeted programme of market studies during the course of 2022.
Market Study Quick Guide		Issue a quick guide to market studies incorporating lessons learned from completed market studies.
Market Study Pipeline		Continue horizon scanning activities to identify markets that could be subject to a market study.

3 Work Areas






Regulation of Air and Sea Port Operations

Overview

The Air and Sea Ports (Incorporation) (Jersey) Law 2015 enables us to licence port operations in Jersey. Our primary duty under this law is to best protect and further the interests of users of port operations, where appropriate, by promoting competition in the provision of port operations. In addition, to ensure that provision is made to satisfy all reasonable demands, both current and prospective, for port operations, and that they are provided efficiently and effectively.

In line with the Strategic Plan we ensure effective regulation of Air and Sea Port Operations and encourage continuity and security of supplies of goods and services by enabling environmental and other best practices.

Key work areas

Work area	Focus	Further detail
Government Policy		Support development of the Memorandum of Understanding between Ports of Jersey and Government, as well as a Government policy for port operations.
Regulatory Framework Review		Commence review of market definition and significant market power. When completed consider the impact of the coronavirus pandemic on the regulated business and long-term investment programme.
Quality of Service		Quality of service data from Ports of Jersey will be collected, analysed and published. This is to ensure Islanders continue to receive the standards expected.
Customer Support		Support users of air and sea port services where necessary and appropriate – for example Jersey business complaints about accessing port services.
Investigations		Investigate potential breaches of the Law and Licence conditions by licensed operators.

Regulation of Postal Services

Overview

The Postal Services (Jersey) Law 2004 empowers us to licence companies providing postal services that concern Jersey. Our primary duty is to ensure that postal services are provided so as to satisfy all current and prospective demands. We also provide oversight of Jersey Post's customer service and prices, as well as ensuring quality of service provision and universal service obligations (which ensures all users receive a minimum level of service) are met.

In line with the Strategic Plan we ensure effective regulation of Postal Services and encourage continuity and security of supplies of goods and services by enabling environmental and other best practices.

Key work areas

Work area	Focus	Further detail
Customer Support		Support consumers of postal services where necessary and appropriate – for example, Jersey public and businesses complaints in regard to postal services.
Investigations		Investigate potential breaches of the law and licence conditions by licensed operators.
Quality of Service		Quality of service data from Jersey Post will be collected, analysed and published. This is to ensure Islanders continue to receive the service expected.
Strategic Review of Postal Services		The Strategic Review will consider, on a forward looking basis, how we can best continue to deliver effective supervision of the Postal sector. It is envisaged this will lead to follow on work in 2023 to implement the findings of the Review.

Regulation of Telecommunications Services







Overview

The Telecommunications (Jersey) Law 2002 empowers us to licence the provision of telecommunications systems in Jersey. Our primary duty in this respect is to ensure that telecommunications services are provided both within and between Jersey and the rest of the world so as to satisfy all current and prospective demands for them, wherever arising. In the telecoms sector, we carry out our functions in a

way that maintains well-regulated Jersey telecoms markets, supports retail competition and supports investment in connectivity.

In line with our Strategic Plan we ensure effective regulation of Telecommunications Services and encourage continuity and security of supplies of goods and services by encouraging environmental and other best practices.

Key work areas

Work area	Focus	Further detail
Government Policy		Support the implementation of Government telecoms policy and support the development of the telecoms security framework.
Compliance and Licensing		Carry out an audit of JT's processes and controls with respect to its accounting and cost allocation practices as a follow up to the wholesale broadband price review. Continue to evolve, monitor and review licence conditions and guidelines as required and appropriate.
Market/Price Reviews		The second stage (remedies) of the Business Connectivity Market Review will be progressed. Other market/price reviews will be commenced in line with our prioritisation principles.
Telecoms Statistics		Publish annual statistics report providing an overview of the Telecoms sector in the Channel Islands, a joint project with the GCRA.
Customer Support		Provide support to Jersey consumers where appropriate, dealing with customer complaints where necessary, or addressing matters of general public interest.
Investigations		Investigate potential breaches of the law and licence conditions by licensed operators as appropriate. As of the end of 2021, there are two open investigations.




Regulation of Spectrum and Numbering

Overview

Aligned with our legal responsibilities under the Telecommunications (Jersey) Law 2002, we work closely with UK communications regulator Ofcom to regulate local spectrum and number ranges. Our primary duty is to ensure these important resources are responsibly allocated and managed, informing Ofcom's licencing decisions towards acting in the interests of Islanders.

In line with the Strategic Plan we ensure effective regulation of spectrum and numbering and encourage continuity and security of supplies of goods and services by encouraging environmental and other best practices.

Key work areas

Work area	Focus	Further detail
Spectrum Allocation		Make recommendations to Ofcom for spectrum licensing as required. We will be working with Ofcom, the GCRA and local stakeholders to develop the process to allocate spectrum for next generation, or 5G, services. We will also consider the implications of 5G services on 2G and 3G services.
Numbering		Ensure that present and any prospective operators remain compliant with Ofcom rules around the use of number ranges.
Compliance		<p>Ensure that local licenced operators adhere to Ofcom requirements in relation to spectrum licensing and numbering.</p> <p>The annual mast emissions audit will take place in the Autumn of 2022.</p>

Organisation Development

We have a wide brief and our Board includes an excellent balance of local knowledge, gender and diverse relevant skills across competition, economics, legal and sector expertise. The Board are supported by a small, full time team, which is Jersey based and familiar with Jersey's economic needs, legal framework and stakeholders. This team is supported by the provision of specialist advice by external contractors, where required.

In line with the Strategic Plan we want to ensure we build knowledge and capability to meet future requirements and challenges and complement and support the work of regulatory and enforcement authorities in Jersey (and beyond) and act as trusted advisor to Government.

Key work areas

Work area	Focus	Further detail
Corporate Governance		Lead by example and ensure our work and the governance that oversees it, is delivered in line with best practice.
Corporate Social Responsibility		Support local charitable organisations, including the JSPCA. This includes providing personal time, for example to provide professional support.
Environmental Sustainability		Develop an environmental sustainability programme. This will include consideration of the wider Environmental, Social, and Governance agenda.
Financial Resilience		We will review fees to ensure sufficient and sustainable funding is provided to meet our competition and regulatory objectives across all the areas of our responsibility.
IT and Systems		Ensure secure and reliable services which enable the team to work effectively in the office or from home as required.
Resources and Training		We will continue to build and develop an agile team with a wide range of skills to support this plan. In addition, we will continue to develop a panel of external expert consultants to provide specialist support when required.
Risk Management		Develop a robust mitigation plan for all key risks, under the guidance of the Audit and Risk Committee.
Staff Wellbeing		The team is made up of dedicated individuals who have a large portfolio and do work under pressure. We will ensure our staff and their families are supported by the Board and executive.

To support the achievement of our vision of healthy and sustainable markets in goods and services for Jersey, it is important for us to articulate the outcomes that we would like to achieve in our programme of work. Doing this also helps us to assess how well we have delivered on our vision, and where more can be done.

We set out in Section 3 our planned focus across the different work areas. We include below a list of indicative measures that will help us to assess how well our actions have supported positive outcomes. These measures are designed to be ambitious and, in many cases, might take a number of years to deliver. This list is not exhaustive. We may consider a range of other factors when assessing whether we have delivered on our objectives.

We will report on our performance against the outcomes in our annual report.

Strategic goal

Measures we want to see/monitor



Protect and encourage competition

- Carry out investigations into possible breaches of Competition Law in line with our prioritisation principles.
- Assess mergers notified for clearance in line with published guidelines and administrative target dates.
- Promote competitive markets in Jersey, by the provision of information and guidance in a variety of forms, as appropriate for different stakeholder groups.
- A programme of market studies to address issues with competition in those markets where change would most benefit Islanders.

We will:

- Horizon scan and ensure mergers and markets are identified for assessment/study.
- Monitor compliance with Competition Law, acting in a timely fashion.



Deliver effective supervision of regulated sectors

- Ensure appropriate and proportionate price controls are in place and regularly reviewed for regulated sectors.
- Develop a rolling programme of market/price reviews and market studies for regulated and non-regulated local markets respectively
- Ensure appropriate and proportionate quality of service standards and reporting are in place and regularly reviewed for regulated sectors.

We will:

- Use a range of tools to achieve our desired outcomes.
- Maintain regular contact with key local organisations and develop our knowledge by working closely with other international regulatory and competition authorities.



Strategic goal

Measures we want to see/monitor



Safeguard consumers

- Ensure there is appropriate consumer protection in place and support the resolution of complaints by individual and business consumers of regulated services where appropriate.
- Publish statistics which help consumers.
- Embed consumer views in our wider work programmes.

We will:

- Work with Jersey consumer bodies.
- Increase focus on safeguarding consumers.



Establish the Authority as a respected organisation

- Develop expert panel to support the local team.
- Implement a sustainable fee structure.
- Embed enhanced corporate governance.
- Maintain and enhance constructive and beneficial relationships with counterparties.
- Welcome requests for cooperation from counterparties and respond where appropriate.

We will

- Demonstrate consistent high levels of professionalism in our internal and external activities and relationships.
- Address concerns raised with us swiftly and transparently.

5 Financials

Our forecast income is broken down and shown in the Figure below. The annual income for 2022 is aligned with the Authority's projected fixed expenditure, which is £1.6 million.

The Government Grant contributes 46% to the budget.¹ Merger application fees contribute 3%. Ports licence fees contribute 4% and Postal Licence fees contribute 5%. Telecoms Licence fees contribute 42%. With respect to fees:

- There will be a review in 2022 of merger application fees, to ensure that the fees cover the costs of conducting merger assessments.
- The Ports of Jersey licence fee will reduce to £70,000 per annum, to cover fixed costs, and the current reserves will be utilised to fund the regulatory framework review in 2022.
- Postal Licence fees will increase to £72,500 per annum in order to cover fixed costs of regulation. Separate payments will be made

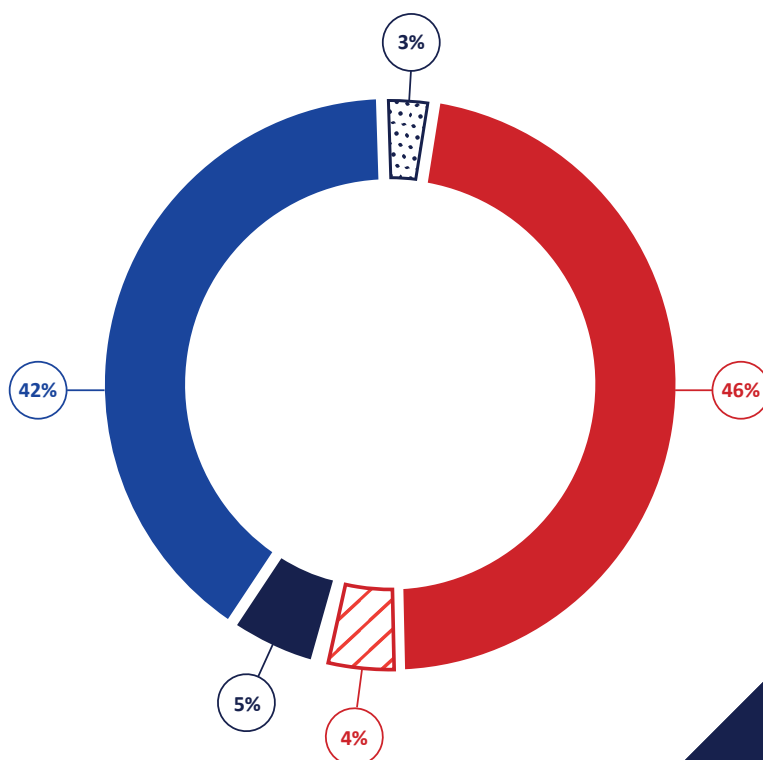
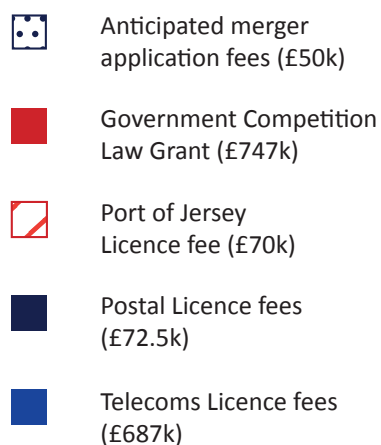
by Licensees to cover external consultancy costs for the strategic review of postal services being conducted in 2022.

- The methodology for calculating the telecoms licence fee is consistent with 2021, however there will be a review during 2022 regarding the methodology for calculating future licence fees. This is to ensure the cost of telecommunications regulation is appropriately met on a forward looking basis.

Note, across the regulated sectors, any unused income may be reimbursed to licensees.

¹This is split between £577,000 of base grant plus £170,000 of additional funding. This additional funding is in the Government Plan for 2020 to 2023 and has been requested in order to support the Authority's rolling programme of market studies, upholding Competition Law and advising on competition law changes.

Figure: 2022 expected income



“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.”





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