



JCRA

JERSEY
COMPETITION
REGULATORY
AUTHORITY

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BUSINESS PLAN

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Competition is the rivalry between firms as they fight for customers. Businesses attract customers by meeting their demand, through lower prices, higher quality products or services, and/or more innovative products and services. In a competitive market, efficient firms supplying the products and services that consumers demand will prosper, inefficient firms will not.

Based on well-established international principles, competition law has been in force in Jersey for 18 years, and aims ‘to promote competition in the supply of goods and services in Jersey’. This is important for the Jersey economy as competition between businesses improves affordability and quality of goods and services. Competition can provide stronger incentives for businesses to innovate, be more efficient and use fewer resources, which increases productivity in our economy. If not addressed, such conduct can result in higher prices and/or lower quality goods and services and can raise barriers to entry to markets.

The Jersey Competition Regulatory Authority (**the Authority**) was established by the States of Jersey in 2001, and holds responsibilities relating to competition between businesses and the direct economic regulation of port operations, postal services and the telecommunications sector.

The Authority’s aim is to ensure that consumers and the economy benefit from competitive markets, with an overarching objective in this is to **continue to promote healthy and sustainable markets for all goods and services in Jersey.**

The Authority is mindful of the nearer-term pressures facing Jersey business, consumers, with inflation in 2023 hitting its highest level for over 30 years. While it is expected to fall, this will be more gradual than anticipated and this will increase financial pressure. The residual impacts of the pandemic also continue to present challenges to businesses, on both the demand and supply sides, alongside geopolitical instability. In response to these challenges, we will continue to harness all aspects of competition and regulation as levers to improve the economic wellbeing of Jersey.

The plan is intended to reflect a forward-looking approach to competition and economic regulation, as well as taking into account international developments.

This Business Plan sets out the work the Authority is planning for 2024, and shows how we will measure success and will be funded over the year. For 2024, the main themes are the importance of regulatory certainty and support for productivity and innovation.

Sustainability

To help inform public debate, and consistent with the Authority’s wider vision of healthy and sustainable markets in Jersey, the Authority intends to continue to explore its role in this important topic in 2024, in support of Government objectives.

Anti-competitive behaviour is harmful for Jersey consumers and the economy. In addition, if Jersey markets become known for being anti-competitive, this will reflect badly both locally and internationally, and Jersey will be seen as an unattractive place to do business.

For consumers: if businesses aren't competing with each other for new market share or concerned with retaining their existing customers, prices are likely to be artificially high, lower quality, and with less new products and services.

For businesses: along similar lines, prices paid to suppliers who are not competing are likely to be higher than expected, leaving businesses no choice but to pay the inflated rates. Impacts may also include longer lead times. If suppliers have agreed not to compete, there will be less motivation to look after their customers. Competing suppliers are more likely to be innovative and efficient, and will continue to offer good service rather than risk losing business to a competitor. Smaller businesses may be unable to compete on a level playing field.

For Jersey: whole sectors of the economy can be affected by a lack of effective competition, both within Jersey, and between Jersey and the outside world. Government is a significant customer in many sectors, so if it doesn't have real choice or the ability to get a fair deal, it will also be paying more than necessary, impacting on tax-payers.

The role of competition in productivity and innovation

Productivity can be understood as the efficient use of available resources in the most effective and efficient manner. The more productive an economy is, the greater the level of output that can be produced for a given level of inputs, benefiting the whole economy. Within this context, competition is a key driver in promoting and delivering continuing productivity.

Competition ensures that more productive firms increase their market share at the expense of the less productive. Low productivity firms are more likely to be forced to exit the market, to be replaced by firms with higher levels of productivity.

Importantly, competition also drives companies to innovate. Firms will aim to innovate to gain a cost advantage, to differentiate their products or to bring new products to market. This increases dynamic efficiency through technological improvements in production processes, or the creation of new products and services. Product and process innovations have the potential to lead a step-change in costs or quality, or to create new markets.

Competition can be the strongest incentive for firms to innovate, particularly when complemented by an effective intellectual property rights regime (allowing firms to benefit from some of the gains of innovation).

Addressing the need for regulatory certainty

Effective competition and regulatory policy provide a clear framework for businesses to operate within, ensuring a level playing field in which they can grow, which in turn benefits consumers and the economy as a whole. This approach can provide a stimulus for innovation and investment, helping to make Jersey an attractive place to do business.

In today's fast-paced world, innovative technologies and business changes are transforming industries at an unprecedented rate. In Jersey, these changes are particularly significant, as they affect several regulated sectors, including telecommunications, utilities, and finance. The Authority recognises the importance of regulatory certainty in managing these transformations effectively, and we are committed to ensuring that the benefits of innovation are realised while safeguarding the interests of consumers.

Regulatory certainty refers to the clear and stable regulatory framework that governs various industries. It provides businesses with the confidence and predictability they need to invest in new technologies and make strategic decisions. Here are some compelling reasons why regulatory certainty is crucial in controlling new innovative technologies and business changes in Jersey's regulated sectors.

Encouraging investment and innovation: One of the primary drivers of economic growth is innovation. However, businesses are often hesitant to invest in innovative technologies and practices without a clear understanding of the regulatory environment. Regulatory certainty provides the necessary assurance that investments will not be subject to abrupt changes or punitive measures. This encourages businesses to take risks, explore new opportunities, and drive economic progress in the island.

Consumer protection: Regulatory certainty is not just about benefiting businesses; it also plays a pivotal role in protecting consumers' interests. When regulations are clear and consistent, consumers can trust that the services they receive are safe, reliable, and competitively priced. This is particularly important in sectors like utilities and finance, where consumers have limited alternatives.

Enhancing competition: Competition is the cornerstone of vibrant and efficient markets. In regulated sectors, competition ensures that prices remain as low as possible while quality and choice improve. Regulatory certainty is vital in promoting competition because it allows new entrants to understand the rules of the game and compete on a level playing field. It also prevents incumbent companies from using regulatory uncertainty to stifle competition.

The role of consumers

Another focus for the Authority is encouraging consumers to be active market participants. There is a link between consumer policy and productivity. Consumer policy can help empowered consumers to drive stronger competition, which in turn has a positive impact on productivity. Consumers can encourage competition by choosing to buy from the firm that offers the best combination of price, quality, and product characteristics. Firms that offer the same goods at higher prices, or less innovative products, lose business and are forced to change or leave the market. Empowered, active consumers are therefore central in creating the incentives for firms to compete.

The **Competition Regulatory Authority (Jersey) Law 2001** (the **2001 Law**) established the Authority as a body corporate with perpetual succession, with functions conferred on it by way of the Competition (Jersey) Law, Air and Sea Ports (Jersey) Law, Postal Services (Jersey) Law and the Telecommunications (Jersey) Law.

The Authority may also provide reports, assistance and information to the Minister in relation to competition, monopolies, utilities or any matter concerned with the provision of goods and services to which the Authority's functions relate.

Whilst protecting its independence, the Authority is also mindful of Government policy in these areas, for example, consideration of the cost of living, Island resilience, and social policies.

Strategic Aims

The Authority's aims are captured in the Strategic Plan:

- (1) To protect and encourage competition
- (2) To deliver effective supervision of regulated sectors
- (3) To safeguard consumers
- (4) To maintain the Authority's reputation and resilience

Prioritisation Principles

Within this framework, some activities, such as merger control or statutory investigations, are 'non-discretionary' and must be carried out regardless of wider developments. This non-discretionary work will always influence our priorities and planning. In addition, the following principles are used to guide the Authority's planning and case work:

- 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.

Even though the need to prioritise inevitably means that not all complaints result in formal cases or investigations, the Authority welcomes contacts from those with concerns about possible anticompetitive practices or consumer harms which will often be the basis for future action.

Working with other regulators

To maximise our impact, we communicate, share learning and work with other on-Island regulators, for example, through the Jersey Regulators Forum, 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**).

Internationally we are members of the International Institute of Communications (**ICC**). As part of the ICC, we play an active role in the Small Nations Regulatory Forum, which our Chief Executive Officer chairs. This Forum is where we learn and share information with regards to regulatory best practice from other similar sized jurisdictions which face many of the same challenges as Jersey.

The Authority is also a member of the International Competition Network (**ICN**) which provides competition authorities with a specialised forum for maintaining regular contacts and addressing practical competition concerns, building consensus and convergence towards sound competition policy principles across the global antitrust community. It is devoted exclusively to competition law enforcement and its members represent national and multinational competition authorities.



Work Areas

The Authority's objectives have been developed from the Strategic Aims and wider legal duties. These flow through the different work areas:

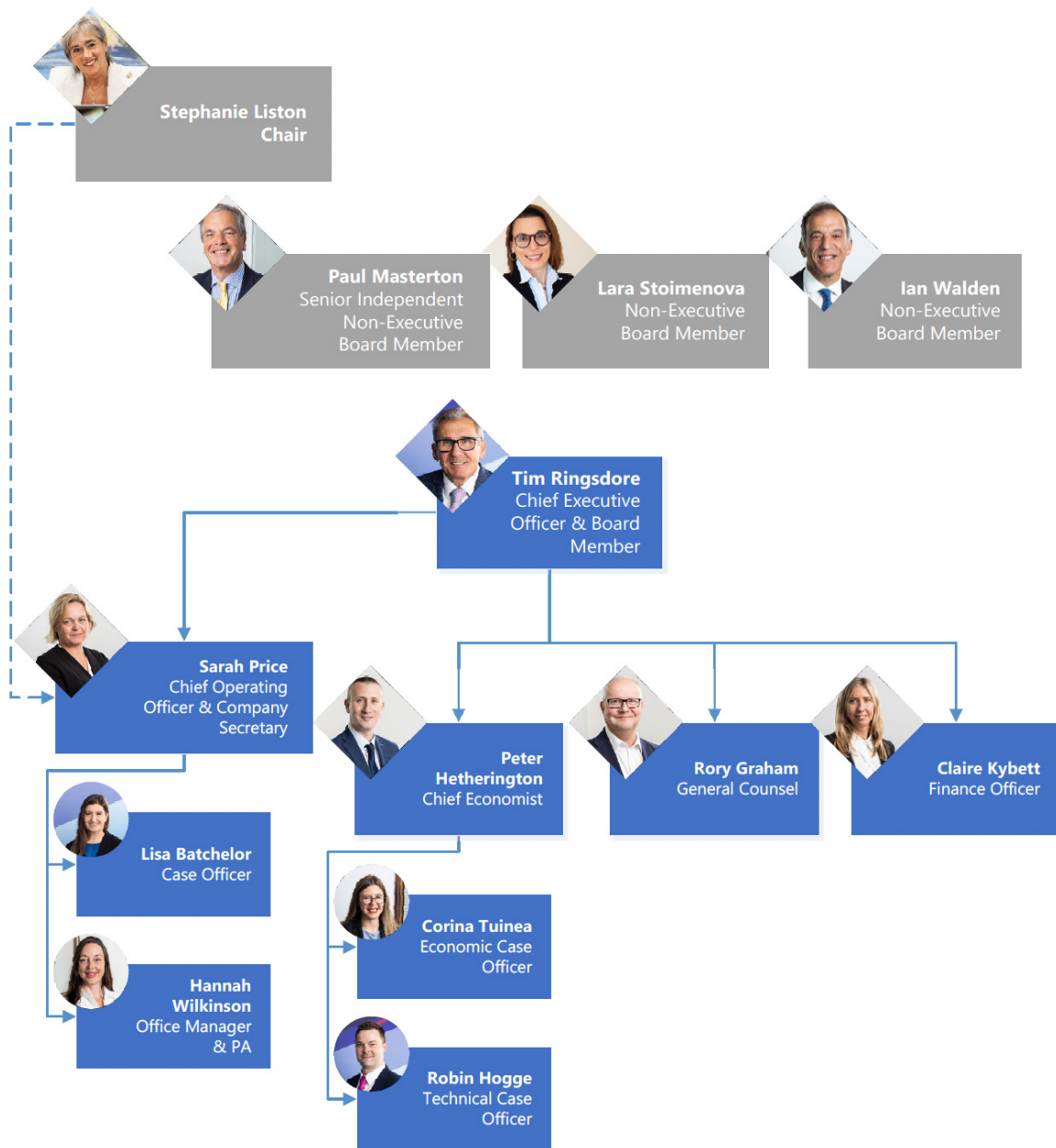
- A. To demonstrate compliance with the Authority's obligations in law, through protection of competition and the delivery of effective supervision of regulated sectors.
- B. To safeguard businesses and consumers through the provision of advice, information and proposals in relation to competition, port operations, postal services and telecommunications.
- C. To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.
- D. To look forward and research future developments and in competition and economic regulation around the world, supporting productivity and innovation in the Jersey economy.



The Authority's structure

The 2001 Law requires the Authority to comprise, as a minimum, three Members, with one Chair. The Board is supported by a permanent team structure as set out below. As a small team, support is also provided by contract staff and specialist consultancy advice where required.

Figure 1: Overview of the Authority¹



¹ Further details on the Authority members and Officers can be found at:
<https://www.jcra.je/staff-and-board-directory/>

Deterring anti-competitive behaviour

Overview

The Authority carries out investigations into anti-competitive conduct in Jersey which can have far-reaching consequences in distorting markets and disadvantaging Jersey consumers.

Anti-Competitive Arrangements: arrangements that substantially lessen competition are illegal. These arrangement could be in the form of a written contract or an informal understanding. Whether an agreement is deliberately anti-competitive or not, if it has the purpose, effect or likely effect of substantially lessening competition in at market it is illegal. Even if the agreement is not put into practice, the act of reaching (or attempting to reach) any anti-competitive arrangement is also illegal.

Taking Advantage of Market Power: some businesses have a dominant position in a market. This in itself is not illegal, however it is illegal to abuse that dominant position. A dominant company can take advantage of its market power to drive a competitor out of business or to prevent new competitors from starting up. This can reduce or eliminate competition from a market. There are various types of behaviour that are illegal.

It is often difficult to distinguish such behaviour from aggressive but legal competition which will benefit consumers. For example, cutting prices to win customers is usually a sign of competition, but in some circumstances can harm it. Likewise, aggressive rivalry by large businesses may not be illegal as large businesses also have a right to compete. However, they are not allowed to take advantage of their market power to prevent others from competing effectively.

Key activities

	Objective	Work Area and Activity
A	To demonstrate compliance with the Authority's legal obligations	The Authority will carry out investigations into possible breaches of the Competition Law and address complaints received. Complaints are assessed in line with the Prioritisation Principles.
B	To safeguard businesses and consumers through the provision of advice, information and proposals	The Authority promotes and supports competitive markets through the provision of information and guidance for different stakeholder groups.
C	To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.	Maintain resilient, reliable systems of work to support best practice. Policies and procedures are reviewed against ICN standards.
D	To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.	Government has set out a package of legislative reform proposals with updates to mergers and acquisitions, appeals and compliance and other miscellaneous areas. The Authority will continue to work with government to ensure competition legislation works for the benefit of Jersey.

Preventing harmful mergers

Overview

The Authority administers a mandatory clearance regime for certain mergers and acquisitions, and will only give approval if it is satisfied that the merger is unlikely to have the effect of substantially lessening competition in a market.

To assess this the Authority examines whether a merger is likely to substantially lessen competition if the merger proceeds with the likely state of competition if the merger does not proceed. A lessening of competition is generally the same as an increase in market power, which is the ability to raise prices and reduce the quality of goods and services to levels that would exist if there was a competitive market.

The most important impact of merger policy on productivity is through wider deterrence of potentially anti-competitive mergers, which would reduce competition.

Key activities

	Objective	Work Area and Activity
A	To demonstrate compliance with the Authority's legal obligations	Assess mergers, with a focus on those which could weaken competition, raise prices and reduce quality, innovation and choice.
B	To safeguard businesses and consumers through the provision of advice, information and proposals	Continue to promote and support competitive markets through the provision of information and guidance for different stakeholder groups.
C	To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.	Review policies and procedures against ICN standards. Maintain resilient, reliable systems of work to support best practice. The Authority encourages parties to engage early with it in the merger process, and monitors local sources of information in order to understand local developments with regard to mergers and acquisitions.
D	To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.	As stated above, in 2023 the Government set out a package of legislative reform proposals regarding the competition law. These include proposals contain updates to the merger control regime. The Authority will continue to work with Government to ensure the future approach to thresholds is appropriate and effective for Jersey.

Studying markets

Overview

In some markets, competition may not be working as well as it should be. Market studies are intended to achieve improved market performance and outcomes for the benefit of consumers. A market study is a flexible tool to explore this and consider whether competition is working well and, if not, what can be done to improve the competitive process. The Authority will consider the relationship between consumer behaviour and the market structure and the behaviour of firms in that market. By looking at these types of relationships and other factors, the Authority can assess whether action designed to encourage changes in consumer behaviour, business behaviour, or both, will help address any market and competition challenges.

The outcomes of a market study may be one or more of the following:

A clean bill of health for the market

Consumer/business focused action

Recommendations to Government/the Authority

Investigation and enforcement action

These recommendations often focus on barriers to entry erected by firms or by government or areas where there is insufficient information for the market to work efficiently. If left unaddressed, these barriers can have significant negative implications on productivity.

Key activities

	Objective	Work Area and Activity
A	To demonstrate compliance with the Authority's legal obligations	The Authority will continue to undertake a targeted programme of market studies, to address issues with competition in markets where change will most benefit consumers. The Authority will actively follow up on the recommendations from previous studies, such as freight logistics, school uniforms and groceries, to ensure benefits to consumers are delivered.
B	To safeguard businesses and consumers through the provision of advice, information and proposals	Market studies promote a competitive environment and raise awareness of competition policy and its benefits among businesses, consumers and public institutions.
C	To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.	Clear FAQ documents are published with each market study. Appropriate frameworks for each study are developed in conjunction with relevant stakeholders.
D	To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.	The Authority will continue to actively consider and review markets that could be subject to a future market study. Government has set out a package of legislative reform proposals, including enhanced market study provisions. The Authority will continue to work with Government on the future market study framework.

Port Operations

Overview

One of the key purposes of the **Air and Sea Ports (Incorporation) (Jersey) Law 2015 (Air and Sea Ports Law)** was to enable the Authority to licence companies involved in port operations and the management of passenger and freight services into and out of Jersey. Such licences may include, but are not limited to, the management and conduct of port operations, standards of performance, competition in the conduct of port operations and facilities used, complaint mechanisms, levels of pricing, and the prevention or control of anti-competitive behaviour.

The primary duty of the Authority in relation to port operations is to protect and further the interest of users of port operations, in the short and long term, and to do so where appropriate by promoting competition in the provision of port operations.

The Authority's focus in this area is on the regulatory review, which will set the regulatory framework for 1 January 2025 onwards. This has two key strands: (1) updating the pricing framework; and (2) refinement of the quality of service regime. The regulatory review is being carried out in the context of prospective infrastructure and commercial developments, and the Authority's objective is to ensure the regulatory framework remains fit-for-purpose and is operating effectively in the interests of all ports users.

Key activities

	Objective	Work Area and Activity
A	To demonstrate compliance with the Authority's legal obligations	The Authority will monitor compliance with the Air and Sea Ports Law and licence conditions and investigate potential breaches. In 2023, the Authority considered draft proposals for a revised pricing and quality of service framework for Ports of Jersey Ltd. This work will continue in 2024 with the next price control coming into force on 1 January 2025
B	To safeguard businesses and consumers through the provision of advice, information and proposals	Support will continue for users of air and sea port services (both businesses and the public) through review of complaints received, which may become a compliance or enforcement case if appropriate. This support sits alongside the wider Quality of Service regime applicable to Ports of Jersey Ltd, which supports a reasonable balance between the price and quality of services provided.
C	To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.	Through the provision of an updated 5-year regulatory framework, commencing January 2025, the Authority is supporting the plans, development and ongoing functions of other business and users relying on air and sea port services.
D	To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.	The Authority will continue to provide support to Government on ports policy, this is to help ensure that this protects and promotes the interests of all users.

Postal Services (Jersey) Law 2004

Overview

The **Postal Services (Jersey) Law 2004 (Post Law)** was introduced to abolish the exclusive privilege of the States in postal services and to enable the Authority to license the new company; Jersey Post Ltd (**JPL**) and any other company or operator with respect to postal services that concern Jersey. Such licences may include, but are not limited to, the imposition of conditions relating to the conveyance of letters, the provision of any postal service, tariffs, and standard of performance.

The Authority has a primary duty to perform its functions in such manner as it considers best calculated to ensure that postal services are provided, both with Jersey and between Jersey and the rest of the world, and satisfy all current and prospective demands for them, and to ensure that JPL has sufficient financial resources to discharge its liabilities under securities issued by JPL to the States.

The Authority's key focus in this area is on the strategic review, which will set the regulatory framework for 2024 onwards. This has three main areas of focus (1) updating the regulatory framework; (2) safeguarding universal service provision; and (3) meeting consumer expectations. This review is being carried out in the context of significant changes in the postal market and the Authority's objective is to ensure effective regulation on a forward looking basis. A key challenge here comes from the fact only letters are regulated, not parcels.

Key activities

	Objective	Work Area and Activity
A	To demonstrate compliance with the Authority's legal obligations	The Authority will monitor compliance with the Post Law and Licence conditions. If required, the Authority will investigate potential breaches. The Authority will analyse and publish quality of service data from Jersey Post to ensure consumers receive the standards expected. This will include managing the transition to a refined regime, reflective of the outcome of the strategic review, over the course of 2024.
B	To safeguard businesses and consumers through the provision of advice, information and proposals	The Authority will support users of postal services – for example helping address consumer and business complaints.
C	To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.	Through the provision of an updated 5-year regulatory framework, commencing January 2025, the Authority is supporting the plans, development and ongoing functions of other business and users relying on postal services.
D	To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.	The strategic review has identified the need for post policy and amendments to the Postal Services Law. The Authority will seek to provide support to Government to implement these important changes. The aim of the review is to ensure effective regulation on a forward looking basis. The Authority's final proposals will be issued in late 2023 and the Authority will be undertaking the necessary steps to fully implement these in 2024.

5 Telecommunications

Telecommunications (Jersey) Law 2002

Overview

Telecoms networks and the data transferred over them remain key to modern society, and are essential for Jersey's businesses and consumers. Consumers rely on telecoms services to keep in contact with friends, loved ones, and the world around them. Moreover, in the workplace, telecoms services are of paramount importance in maintaining business competitiveness and productivity.

The **Telecommunications (Jersey) Law 2002 (Telecoms Law)** was introduced to abolish the exclusive privilege of the States in telecommunications and to enable the Authority to license the new company established (Jersey Telecoms Limited, now JT (Jersey) Ltd) and any other company or operator with respect to telecommunications that concern Jersey.

The Authority's work in this area can be seen in three parts, which are outlined below:

- Telecommunications Law
- Telecoms Security
- Spectrum and Numbering

The work is funded by a government grant. The development and implementation of the new telecoms security regime. Other work in this area is covered by licence fees paid by operators.

A key aim for the Authority is to ensure that consumers and the economy are protected against higher prices and/or lower quality goods and services and increased barriers to entry to markets.



Telecommunications Licensing

Overview

The Telecoms Law empowers the Authority to license the provision of telecommunications systems in Jersey. The Authority's primary duty is to ensure that telecommunications services are provided so as to satisfy all current and prospective demand. In the telecoms sector, the Authority carries out its functions in a way that maintains well-functioning markets, supporting both competition and investment in connectivity. The Authority is also mindful of Government position on relevant issues, for example with focus on the cost of living, Island resilience and social policies.

Market reviews are a key tool which allow us to identify the competitive conditions prevailing in a market and whether any regulatory interventions are required. Through 2024, the telecoms market review will be a significant piece of work, considering the Government policy framework, regulatory and economic policy; and consumer policy.

Key activities

	Objective	Work Area and Activity
A	To demonstrate compliance with the Authority's legal obligations	The Authority will monitor compliance with the Telecoms Law and licence conditions and investigate potential breaches. Alongside this the Authority will carry out follow up work on previous directions issued and current open investigations. The Authority will receive and analyse the first set of regulatory financial reporting information from JT.
B	To safeguard businesses and consumers through the provision of advice, information and proposals	The Authority will support consumers – for example, addressing consumer and business complaints. Further consumer policy is a theme of the upcoming Telecoms Market Review.
C	To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.	The Authority will work with the Government of Jersey in relation to reviewing the existing legislation and will undertake a review of the existing licence structure to ensure that these reflect best practice and are clear and effective. The Authority will progress reviews of existing guidance associated with certain license conditions to ensure alignment with the new telecoms security law and related regulations and to enhance the clarity of such guidance.
D	To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.	The Authority will continue to collect pricing data to be able to assess how prices are changing through time, and publish the annual statistics report, a joint project with the GCRA and Statistics Jersey. The Authority will continue to support the implementation of Government telecoms policy.

Telecoms Security

Overview

A key focus in 2024 will be our further work on implementing regulatory requirements associated with the upcoming legal framework on Telecoms Security and ensuring Jersey providers have measures in place to identify and reduce the risks of security compromises, as well as reporting those that occur. This is with a view to ensure implementation of the framework in line with the Government timetable.

Jersey's prosperity rests on the security and resilience of the telecoms networks and services that connect us. Yet as technologies evolve, new threats to those networks and services are emerging. The Government plans to amend the Telecommunications (Jersey) Law 2002 to align Jersey's approach to telecoms security with the United Kingdom. This will mean providers will have to have measures in place to identify and reduce the risks of security compromises, as well as reporting those that occur. The Authority's role will be to make sure telecoms providers comply with their security duties.

In 2024 the Authority's focus will be on working with Government, Jersey Cyber Security Centre (**JCSC**) and telecoms providers in the design and implementation of the framework.

Key activities

	Objective	Work Area and Activity
A	To demonstrate compliance with the Authority's legal obligations	Compliance: the Authority will develop a proportionate and effective compliance regime for Jersey, following government policy and in line with UK principles where appropriate. Designated Vendors: when directed to do so by government, the Authority will begin monitoring of Designated Vendor compliance.
B	To safeguard businesses and consumers through the provision of advice, information and proposals	The Authority will consult on and in turn issue public policy and guidance supporting telecoms security to make sure current and future operators understand their obligations as part of these changes in regulation.
C	To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.	The Authority will review and enhance its security controls in preparation for active compliance monitoring of telecoms security.
D	To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.	The Authority will continue to work closely with Government on the development of Telecoms Security legislation. It is anticipated that this will be enacted in early 2024.

Spectrum & Numbering

Overview

Spectrum is a major asset to Jersey and is a critical input to a wide range of services, for example, mobile phones use spectrum to connect to a local mast enabling people to make calls and access the internet. Similarly telephone numbers are a critical resource and must be managed effectively, so that they are available when needed, do not have to be changed and mean something to those who call them.

The Authority works closely with the UK communications regulator, Ofcom, in its regulation of local spectrum and number ranges. The Authority's primary duty is to ensure these important resources are responsibly allocated and managed, informing Ofcom's licensing decisions.

Key activities

	Objective	Work Area and Activity
A	To demonstrate compliance with the Authority's legal obligations	The Authority will ensure that licensed operators adhere to Ofcom requirements in relation to spectrum licensing and numbering.
B	To safeguard businesses and consumers through the provision of advice, information and proposals	The Authority will consider further whether additional steps should be taken to protect consumers with respect to caller line identity (CLI) and number allocation and management.
C	To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.	The Authority will work with local operators to ensure they have clear processes and procedures in place to effectively manage their spectrum and numbers.
D	To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.	The Authority will run a further 5G spectrum award process, to assess demand for this important band. To support 5G the Authority will also complete its work on the defragmentation requirements for key bands. Alongside work with 5G spectrum, the Authority will also monitor wider spectrum policy developments that affect Jersey and consider Jersey's future spectrum policy.

Measuring Performance

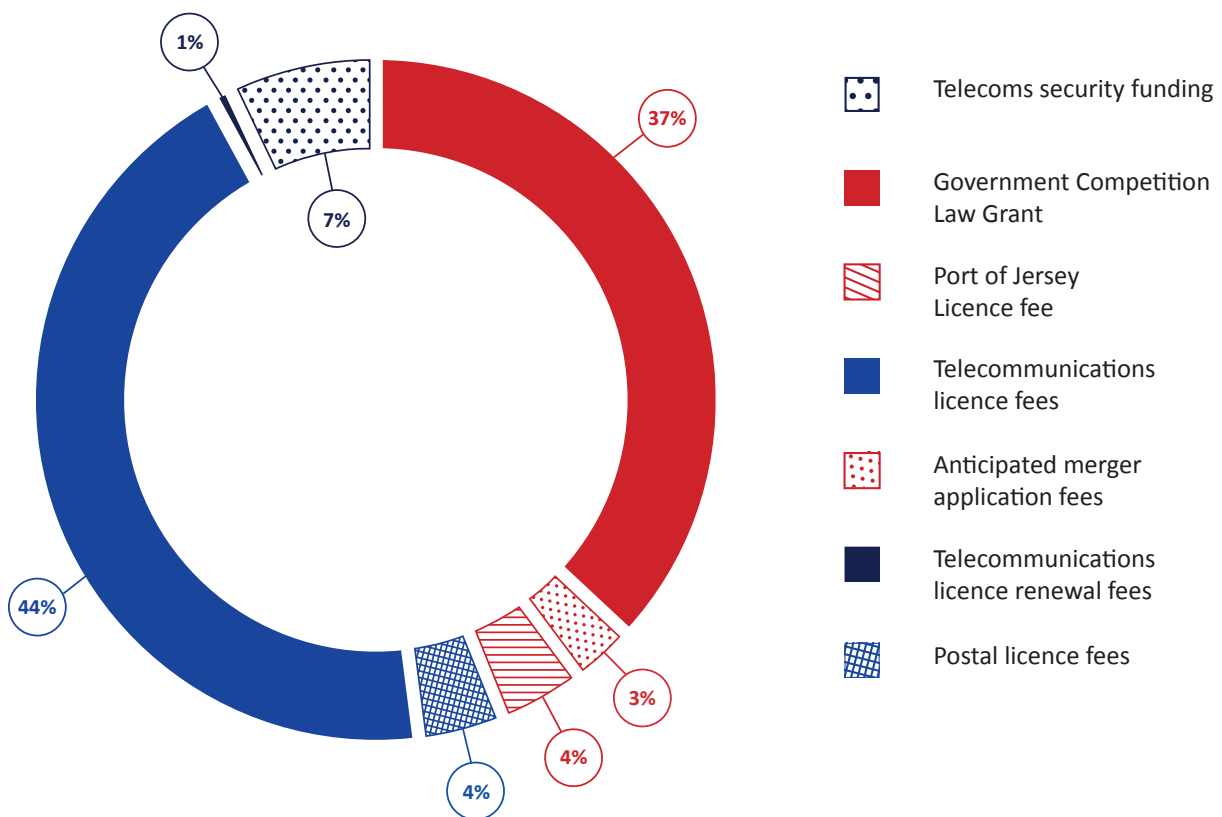
Objective	Work Area
<p>To demonstrate compliance with the Authority's obligations in law, through protection of competition and the delivery of effective supervision of regulated sectors.</p>	<ul style="list-style-type: none"> • Investigations into competition law breaches and address complaints • Assess mergers when notified within administrative targets • Carry out targeted market studies, including completion of the study into electricity, and continue to follow up on previous recommendations • Targeted market reviews: <ul style="list-style-type: none"> • Continue Telecoms Market Review, including policy framework and consumer policy • Complete Regulatory Review of Ports • Complete Strategic Review of Post
<p>To safeguard businesses and consumers through the provision of advice, information and proposals in relation to competition, port operations, postal services and telecommunications.</p>	<ul style="list-style-type: none"> • Implement a targeted advocacy programme, promoting competitive markets, including the provision of information and guidance for different stakeholder groups • Review complaints received for all regulated sectors • Develop refined quality of service framework for Ports, supporting a balance between the price and Quality of Services provided • Manage the implementation of the new quality of service regime for Jersey Post in 2024
<p>To deliver clear and recognisable frameworks for businesses, supported by effective, resilient, reliable systems of work.</p>	<ul style="list-style-type: none"> • Carry out a review of policies and case management procedures • Continue to encourage early engagement for merger notifications • Maintain resilient, reliable systems of work to support best regulatory practice • Review existing guidance for regulated sectors, including financial penalties • Economy: minimise expenditure, whilst considering the delivery quality to ensure value for money • Develop further metrics to measure the impact of the Authority's work
<p>To look forward and research future developments in competition and economic regulation, supporting productivity and innovation in the Jersey economy.</p>	<ul style="list-style-type: none"> • Carry out a review of block and individual competition law exemptions • Support Government in development of amendments to the competition law and merger control thresholds • Support Government in development of new telecoms security requirements • Contribute to public debate and the wider policy framework through publications and engagement with stakeholder consultations • Support Government policy objectives and where appropriate the development of government policy, for each of the regulated sectors

7 2024 Budget

Income

In order to meet its duties under each Law, the Authority will receive the following income:

Figure 2: 2024 forecast income



Competition (Jersey) Law 2005

The Authority will continue to be funded by the Government to support the Authority’s duties in relation to the administration of the Competition Law, including a rolling programme of market studies. The annual Competition grant² remains at £747,000 and contributes 37% to the 2024 budget.

Projected mergers and acquisitions fees are £67,500, which represents an anticipated total of seven mergers during 2024 and contributes 3% to the budget. The fees charged are to cover the costs of conducting merger assessments.

² The 2024-2026 Funding agreement can be found on the Authority’s website:
<https://www.jcra.je/media/598831/jcra-competition-grant-funding-agreement-2024-2026.pdf>

Air and Sea Ports (Jersey) Law 2015

The 2024 licence fee of £77,000 (2023: £70,000) contributes 4% to the budget and will be utilised to support the Authority in its objective to ensure the regulatory framework remains fit for purpose and is operating effectively in the interests of all users.

Postal Services (Jersey) Law 2004

The 2024 licence fees of £79,500 (2023: £72,500) contribute 4% to the budget and will be utilised to support the Authority in its objective to ensure effective regulation on a forward looking basis.

Telecommunications (Jersey) Law 2002

The 2024 licence fees of £880,000 (2023: £660,000) contribute 44% to the budget and will be utilised to support the Authority in its objective to ensure compliance with the regulatory framework, and that it remains both effective and 'fit-for-purpose'. It is anticipated that three licensees will renew their licences during 2024, which will generate £17,500 (2023: £17,500) of income and contribute 1% to the budget.

Fees for all telecoms licensees are based on a percentage of relevant turnover, with de minimis fees set for Class I and Class II licensees. The budget incorporates an increase in de minimis of licence fees for all Class II licence holders of £2,500, which will increase to £10,000 in 2027. The methodology for calculating the telecoms licence fee had not changed since 2014, where it was set at 0.75% and in 2024, the percentage applied to relevant turnover will increase to 1.0%, and this has been reflected in the budget.

The increase in fees is required to ensure that the Authority is able recover its costs of establishment, its short term costs, and its long-term costs, in order to fulfil its duties within the regulatory framework³. (An information note was published on 11 August 2023 to notify all regulated sectors of the Authority's licence fees for 2024 – 2026⁴). Historically, the Authority has utilised the retained surplus telecoms reserves, as expenditure has exceeded licence fee income, however this position is no longer sustainable. See Reserves Policy below.

For telecoms security work, Government will continue to financially support and work with the Authority to design and implement the framework. The 2024 budget reflects the £150,000 (2023: £150,000) granted by the Government to support the Authority in its role to make sure that telecoms providers comply with their security duties, which contributes 7% to the budget.

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

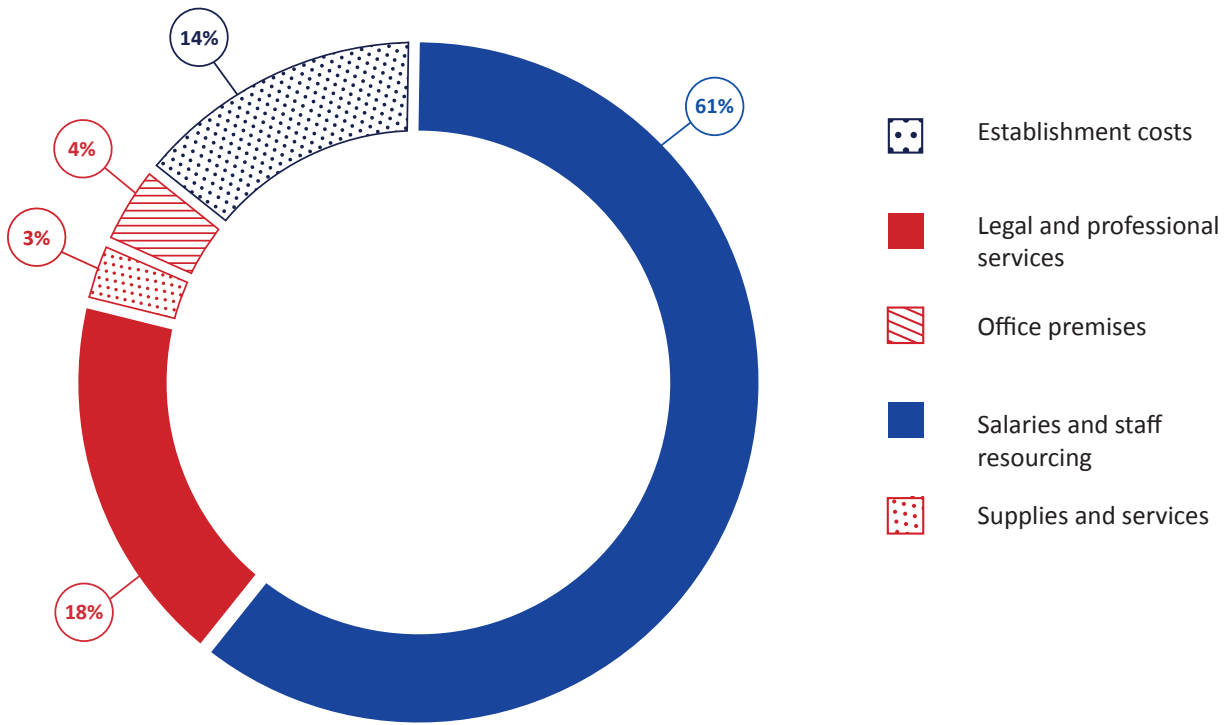
³ Licence condition 4 provides that Licensees also bear all reasonable costs associated with any examination, investigation or audit conducted under that licence condition.

⁴ See: <https://www.jcra.je/media/598831/jcra-competition-grant-funding-agreement-2024-2026.pdf>

Expenditure

All direct costs are ring-fenced by sector, cross-subsidisation is not permitted, and common costs are shared between sectors. An analysis of expenditure is shown in Figure 3 below.

Figure 2: 2024 forecast expenditure



“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.”



