

3.2 Deputy G.C.L. Baudains of St. Clement of the Minister for Treasury and Resources regarding compensation paid to Royal Mail in relation to the volume of outgoing mail from Jersey exceeding that of incoming:

As the States shareholder representative for Jersey Post, would the Assistant Minister inform Members whether there is an imbalance caused by the volume of outgoing mail from Jersey exceeding that of incoming and, if so, what sum, if any, is presently paid to Royal Mail to compensate for this?

Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):

The Royal Mail and Jersey Post agree contracts on a commercial basis like other postal administrations. The first formal agreement was signed in 1999. Jersey Post is responsible for paying Royal Mail for all items they deliver on behalf of Jersey Post customers, and likewise Royal Mail is responsible for paying Jersey Post to deliver its mail to Jersey addresses. Because of the current high volumes of outward mail generated by the fulfilment industry there are currently higher levels of outward mail than of inward mail. Royal Mail and Jersey Post settle the net account a monthly basis. Due to the high amounts of outward mail compared to inward mail this currently results in Jersey Post making net payments to Royal Mail. The sums paid are part of a commercial agreement and as a result must remain confidential.

3.2.1 Deputy G.C.L. Baudains:

Could the Assistant Minister advise whether the calculations which arrive at the compensation amount include reference to local postal rates and, if so, does it create an incentive to keep Jersey's internal postal rates higher than they might otherwise be?

Deputy E.J. Noel:

I can confirm that the commercial agreements do have reference to the tariffs charged by Royal Mail and by Jersey Post, however, I can also confirm that does not result in a higher rate for locals using the Jersey postal service.

3.2.2 Deputy M. Tadier of St. Brelade:

After that long answer I was waiting for those magic words of "commercial confidentiality", which the Deputy did not let me down with at the end. Can he confirm that this is not a matter of commercial confidentiality and by telling us and tantalising us with the fact that Jersey Post pay more to Royal Mail than the other way round, that in itself is also a piece of commercial information and if he is to be consistent he should not be giving that piece of information out without giving full figures or at least ballpark figures so that the Deputy can have a meaningful answer?

Deputy E.J. Noel:

I hate to disappoint Deputy Tadier, and obviously I have not. **[Laughter]** The confidentiality does apply in this case because Jersey Post are in competition with other mail providers in the fulfilment industry and their commercial arrangements with the Royal Mail are therefore quite valid that they are commercially sensitive. But obviously Jersey Post makes substantial sums out of the fulfilment industry, so the Deputy has nothing to fear in the terminology that he uses, that this is a costly Island. It certainly is not.

3.2.3 Deputy M. Tadier:

If I may have a supplementary. Can I ask the Deputy to remind myself and other Members who the shareholder is for Jersey Post and, as such, whether the shareholder should have entitlement to budgetary information about where the money goes from Jersey Post?

Deputy E.J. Noel:

As the good Deputy knows, the States, in fact the Minister for Treasury and Resources, is the shareholder, or it may be the Treasurer who is the executive shareholder. The information in Jersey Post's accounts are published annually and are now presented to this Assembly.

3.2.4 Deputy G.C.L. Baudains:

Could I just press the Assistant Minister to confirm, if he can, that in fact the payment is several million pounds per year?

Deputy E.J. Noel:

I do not have the exact figure to hand but I will see what is published in the accounts. But I can confirm it is a significant figure, but one must bear in mind that Jersey Post benefits greatly from that because obviously they do not pay over anywhere near the amount of revenue that they generate from this business.