

**WRITTEN QUESTION TO THE MINISTER TREASURY AND RESOURCES
BY DEPUTY R.G. LE HÉRISSEIER OF ST. SAVIOUR
ANSWER TO BE TABLED ON MONDAY 20th JUNE 2011**

Question

What restrictions, if any, are in place to prevent former senior managers of States owned utilities from immediately managing or setting up commercial activities which match those performed by them in the utility?

Answer

The directors of all States owned companies are required to operate the companies in a competitive, efficient and effective manner. I expect the Boards to adhere to high standards of governance in all areas of management of the company.

Like all commercial businesses the companies aim to be competitive and gain competitive advantage wherever they can. I am confident that the Boards do all that they reasonably can to protect and enhance the competitive position of the companies. Whilst restrictive covenants can be used in employment contracts, a covenant intended merely to protect an employer against bona fide competition from a former employee would not be upheld.

The precise terms and conditions of employment and commercial contracts are a matter for the Boards, their employees and other contractual parties.