

## **2.5 Deputy R.G. Le Hérissier of the Minister for Economic Development regarding the total cost of remuneration at Jersey Post:**

There is a bit of a slip between cup and lip on this question. It was more about management. Would the Minister identify the total cost of remuneration at Jersey Post, separating out salary and performance pay, in the last full year and specify what percentage the latter forms of the relevant staff budget?

**Senator P.F.C. Ozouf (The Minister for Economic Development):**

Can I ask the Connétable of St. Lawrence, who is rapporteur for postal matters?

**Connétable G.W. Fisher of St. Lawrence (Assistant Minister for Economic Development - rapporteur):**

I am sorry about the slip between cup and lip. I have an answer to the question that was tabled and the answer is: the total cost of remuneration at Jersey Post in 2005 was £17.7 million, of which £0.6 million related to performance-related pay. Performance-related pay equates to 3 per cent of Jersey Post's total 2005 remuneration costs, which include employer's pension cost, social security costs and allowances.

### **2.5.1 Deputy R.G. Le Hérissier:**

Would the rapporteur be able to separate out what proportion of that performance-related pay applies to the management group? Secondly, would he be able to confirm that the 3 per cent applies across the board to management and non-management staff?

**The Connétable of St. Lawrence:**

The Deputy might have to help me on how he has rephrased that question. No, I cannot separate out management cost. For a start, I think one would have to define what you mean by management cost because who is management? How far down do you want to go? Obviously you have executive directors, then you have other directors, managers, et cetera, and probably you might even want supervisors. So, that needs to be very specific and I have not got that information, I am afraid. The 3 per cent performance and productivity payments does relate to the total remuneration cost. I can give you a breakdown if you like of the £17.7 million, which is basic pay of £12,872,000; allowances £1,792,000, although the majority of allowances were removed during 2005; performance and productivity payments £575,000, to be more precise than the £0.6 million; employer's pension cost £1,550,000; social security costs £863,000; making a total of £17,652,000.

### **2.5.2 Deputy G.P. Southern:**

Can the Assistant Minister confirm that the top 6 management posts in the Post Office were paid a total of between £750,000 and £900,000 in total emoluments?

**The Connétable of St. Lawrence:**

I am afraid not, Sir, I do not have those figures in front of me, but I am sure that Deputy Southern is within a ballpark, I do not know. **[Laughter]**

### **2.5.3 Deputy R.G. Le Hérissier:**

Given the considerable public concern about the increases in both local United Kingdom and overseas personal rates, I have spoken with the Connétable several times. Given that public concern, would he define to the House whether or not the performance-related pay does relate to the increased revenue as a result of those particular increases, or whether it relates solely or largely to the fulfilment operation?

### **The Connétable of St. Lawrence:**

Well, the performance-related pay is related to the profitability of the total operation so I cannot separate out between fulfilment and any other part of the operation. What happens is that the budget is set each year and it has always been approved by the Postal Committee. Then the actual results are compared at the end of the year with the budget that has been set and the performance pay is calculated in relation to any uplift on the original budget.

### **2.5.4 Deputy G.P. Southern:**

Since we have strayed on to the business of fulfilment a bit early, can the Assistant Minister confirm that the profits made by Jersey Post are almost entirely due only to the fulfilment industry?

### **The Connétable of St. Lawrence:**

The large amount of the profits made by Jersey Post does in fact relate to postage services to the fulfilment industry.