

# STATES OF JERSEY



## JERSEY POST: PETITION (P.140/2010) – COMMENTS

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Presented to the States on 1st November 2010  
by the Minister for Treasury and Resources

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STATES GREFFE

## COMMENTS

Part (a) of the Proposition requests the Minister for Treasury and Resources, as representative of the shareholder, to request Jersey Post not to take any steps to cut deliveries back to 3 days a week.

The setting of the USO is a matter for the Minister for Economic Development. The Minister retains strategic political responsibility for Jersey's postal services industry, with the Jersey Competition Regulatory Authority (JCRA) having responsibility as the independent licensing and regulatory authority for postal services. In these respective roles, both the Minister and JCRA have a primary duty to ensure that, as far as reasonably practicable, postal services are provided in Jersey and between Jersey and the rest of the world, as satisfies all current and prospective demands for them.

The Minister has recently concluded a public consultation about the provision of the Universal Service Obligation (USO) in postal services. As the representative of the shareholder, I expect the board of Jersey Post to ensure the company meets the USO in an efficient and effective manner. The shareholder is not responsible for defining the USO.

Part (c) of the Proposition asks the States to 'agree that the States should assist Jersey Post to maintain its Universal Service Obligation by contributing to any shortfall in funding in the event of competition being allowed in the postal market.'

The budget forecasts recently presented to members show the projected financial deficit in our public finances over the coming years. The pressures facing our public finances are significant, and members are aware of the revenue-raising and cost-cutting decisions that must be taken in order to return to a sustainable financial position. Providing a taxpayer-funded subsidy to Jersey Post would add to the level of deficit and require the raising of further taxes or additional reductions in core public services.

Jersey Post must also operate in a financially sustainable manner and it is working positively to do so. It must work to meet its customers' needs and provide effective postal services within the context of an appropriate, affordable and sustainable USO, set and overseen by the Minister for Economic Development and the JCRA.