

5.3 Deputy J.A. Martin of St. Helier of the Minister for Economic Development regarding the 2010 efficiency report into Jersey Post:

Would the Minister inform the Assembly who the Jersey Competition Regulatory Authority commissioned to carry out the 2010 efficiency report into Jersey Post and state whether the report will be available to States Members and, if so, when?

Senator A.J.H. Maclean (The Minister for Economic Development):

In my capacity as Minister, I was informed by the J.C.R.A. (Jersey Competition Regulatory Authority) that they had agreed to conduct this review using their own internal resources in co-operation with Jersey Post. This review is, I understand, currently ongoing. Efficiency reviews generally are not published because they contain the commercial confidential data and information of the company under review. However, I understand that the J.C.R.A. will publicly disclose the outcome of the review after its completion. Thank you.

5.3.1 Deputy J.A. Martin:

As the Minister says he can request - which the last Minister for Economic Development did - on the incorporation of Jersey Post on directions and guidance. Can the Minister assure us that no decision on the 2 outstanding other licences will be considered until the results of the efficiency of 2010 into Jersey Post in his position where he can request the J.C.R.A. to wait?

Senator A.J.H. Maclean:

It is not a question of requesting the J.C.R.A. to wait but certainly I would agree with the Deputy that I would expect the J.C.R.A. to consider the efficiency review that is currently underway before they make a final determination. Of course, the Deputy and Members will be aware that the consultation period is currently underway and that in itself does not conclude until the end of this month. I would hope the efficiency review will be considered as part of that process.

5.3.2 Deputy G.P. Southern of St. Helier:

Is the Minister aware of the previous efficiency review which reported in 2007 which says that Jersey Post was an efficient operator and asked them to make £2.8 million of savings until the end of 2010, which Jersey Post is well on the way to doing, including the layoff of 80 employees? It is now an even more efficient operator. Why the need to bring in competition?

Senator A.J.H. Maclean:

Yes, I am aware of the report carried out by Europe Economics, an independent consultancy, and, in fact, that particular review did say that Jersey Post was broadly efficient. It did, however, point out that there was a high administration cost within the business. I do accept that Jersey Post have taken great strides forward in addressing the issues that it needs to. Yes, there have been some redundancies. They continue to improve their business model and I would expect that the efficiency review that is currently underway will inform the debate about the current proposal for new licences.

5.3.3 Senator S.C. Ferguson:

The Minister must be aware that under the terms of the Competition Law he is entitled to issue directions to the J.C.R.A. Will the Minister confirm that he will issue directions that no action be taken on this until all the reports on efficiency are in?

Senator A.J.H. Maclean:

As Minister, I do have limited powers under the Competition Law under directions and guidance. Certainly, I am more than happy to confirm that a conversation has already been undertaken with the J.C.R.A. with regard to this efficiency review and indeed the results of that will be considered, together with the consultation period and the results from this particular consultation period.

5.3.4 Deputy P.J. Rondel of St. John:

Within the J.C.R.A. review was the closure of the post office in the market and moving it to Burrard Street part of that review? If so, was the Minister aware of it?

Senator A.J.H. Maclean:

I am not sure whether the Deputy is referring to the efficiency review because that is currently only underway at the moment. The announcement that he has referred to is the subject, I believe, of an emergency question which will be dealt with in due course this morning.

The Deputy of St. John:

I am not concerned about an emergency question after. I asked the question was the Minister aware of the closure of the post office within the market and if it was part of the review.

The Bailiff:

No, I am sorry, Deputy, that has nothing to do with the current question. Deputy Shona Pitman and then I think we will have to call the questions on this to an end.

5.3.5 Deputy S. Pitman of St. Helier:

What consideration has the Minister given to the loss of the social service in the everyday delivery of letters, *et cetera*, to the people all over the Island to Jersey Post if competition is introduced?

Senator A.J.H. Maclean:

I think the Deputy is referring to the universal service obligation under which Jersey Post are obligated to provide a 6-day service. As part of the consideration for future provision of services, that is a matter that will have to be debated. I have no doubt the future provision of services from a postal service perspective will need to be considered as indeed it is in other places around the world.

5.3.6 Deputy J.A. Martin:

I would just like to remind the Minister he does have the obligation to direct and it is not just for economic but for social reasons which is the Universal Service Agreement [Approbation] to the last mail to the lady in St. Mary or St. Ouen. I would point out that Mr. Brown said: "The importance of fulfilment to the business is there for the profit and to the extent that it is necessary to use this finance to cover the Universal Service Agreement." [Approbation] So will the Minister make sure this is taken into consideration? The Minister has been asked for the consultation to go on further than the 30th and will he request the J.C.R.A. to do this? This has come out of the blue to States Members and everybody else; it is not enough time.

Senator A.J.H. Maclean:

I agree with the Deputy. Yes, it is a matter of social and economic interests under which there are limited powers that I have for guidance and direction and, yes, I do agree with her in that respect. As far as extending the consultation period, that is not within my powers to do. However, following the consultation period, I have already given an undertaking that the efficiency review which is being undertaken will be a matter that will be considered by the J.C.R.A. and indeed that particular efficiency review I understand is not going to be concluded until the summer so there is some breathing space at the end of the consultation period.