

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY D.J. DE SOUSA OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 11th MAY 2010**

**Question**

“Can the Minister, as representative of the shareholder state whether he is satisfied that the redundancies at the Jersey New Waterworks Company were justified when the company has announced a profit margin to the value of £4,085,000?”

**Answer**

The Jersey New Waterworks Company (JNWC) has announced a profit **before** tax of £4,085,000, an increase of only 1.3% on the previous year.

A Final 2009 dividend for £1,578,000 is proposed to be paid to the States at the forthcoming AGM.

This is in addition to the income tax generated on employee salaries, employee social security contributions and the many jobs and other economic benefits generated by the millions of pounds that the Company spends within the local economy each year.

The retained profits generated by the Company are used to fund its extensive capital programme. In 2009 capital works amounted to £3.3 million spent renewing and enhancing the mains water network, protecting water resources and maintaining its plant and equipment to ensure that it can continue to provide water to the Island of Jersey for years to come.

It is the duty of all Companies and especially a public utility enjoying a monopoly position to constantly seek out and implement efficiencies and reduce costs where possible. JNWC states that the 2009 changes were in the interests of consumers (the changes were one of the factors that helped keep prices for water frozen for 2010) and in the interests of the Company's shareholders (the States being the Major Shareholder).

JNW advise that majority of the staff who were made redundant in December had jobs to start immediately after they finished at JNWC. JNWC's capital programme means that the former employees have every likelihood of enjoying secure and gainful employment for many years to come.