

4.15 Deputy R.G. Le Hérissier of the Minister for Economic Development regarding the impact of changes to postal rates on small traders or local societies:

Is the Minister satisfied that the changes to postal rates just announced will not adversely affect the interests of small traders or local societies who mail items like journals to the United Kingdom and overseas?

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

Changes to postal rates to reflect size-based pricing have been introduced following consultation between Jersey Post and the J.C.R.A. who regulate postal services in the Island under the Postal Services Law. The new price structure which is consistent with that applied by Guernsey Post is required to address changes to the charges levied by the Royal Mail for postal services for Jersey's mail delivered in the U.K. I accept that small traders and local societies may indeed find that their overall costs have increased and that is certainly disappointing and, indeed, difficult for them. However, I understand that the increases directly reflect increased charges incurred by Jersey Post.

4.15.1 Deputy R.G. Le Hérissier:

Would the Minister not acknowledge that a few years ago there was a similar hit at people like this in that concessions or so-called concessions like small packet rates - surface rates - were withdrawn and they had a major effect upon people who, for example, were trying to develop eBay-type businesses as well as local societies who used to mail an awful lot of journals overseas. No notice was taken, I was very involved, I have to say, at that stage, would he not acknowledge that this essentially administers the final kiss almost of death to these people who are trying, despite bureaucratic obstacles, to develop small businesses?

Senator A.J.H. Maclean:

As the Deputy knows, both myself and my department are extremely supportive of small businesses and will do all we can to assist them in whatever markets that they hope to develop. Nevertheless the Deputy raises a valid point, although Members should bear in mind that postal charges were in many respects artificially low for many years to the advantage of both small and large businesses, and so there has been a degree of catch-up during the period of time and this recent increase is a direct reflection of that.

4.15.2 Deputy R.G. Le Hérissier:

Would the Minister not accept, rather on the lines of not totally comparable to the market post office situation, that by applying an almost ruthless dogmatic approach to a small area of the postal system you are throttling the development of small businesses?

Senator A.J.H. Maclean:

I accept, as I said in my original answer, that it is a difficult area for small businesses and all I can conclude is that the Deputy will, I am sure, be supportive of the proposals by the J.C.R.A. to open-up the postal market, introduce competition and potentially drive-down prices. Meanwhile we will do all we can to support small businesses and indeed look at other ways of the delivery of their packages, perhaps electronically is one option that may be available.

4.15.3 Deputy G.P. Southern:

Does the Minister accept that the application of these new rates to fulfilment-sized packets which has led to the demand for the introduction of competition in this particular market, that in answer to a written question he has said he has received assurances from the J.C.R.A. that the efficiency study that is being conducted will be completed before any further action is taken? Can the Minister point anywhere in the letter from J.C.R.A. where that assurance is confirmed? Does he have the assurance in writing or is it merely oral because there is no evidence of it in the papers that he has given in answer to an earlier question?

Senator A.J.H. Maclean:

In a conversation with the J.C.R.A., there was a verbal undertaking or a verbal statement, I should say, that the efficiency review could be considered and would be considered and, indeed, contained within a letter that I have received from the J.C.R.A., they have confirmed that they will have by the time that they need to make determination on this matter enough information to be able to consider the elements of the efficiency review that they believe is relevant.