

**2.14 Deputy T.M. Pitman of the Minister for Treasury and Resources regarding the terms of the voluntary redundancy package offer made to workers by Jersey Post:**

Would the Minister, as a representative of the shareholder, clarify whether a second voluntary redundancy package offer was made to workers by Jersey Post, was it offering reduced terms and, if so, what was the justification for this?

**Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

Sir, I would ask Deputy Noel to be rapporteur for this question.

**Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):**

As stated in the written question in answer number 16, this is a commercial matter for the board of Jersey Post and is not a matter for the shareholder. I expect all States-owned companies to be responsible and fair employers. I have not reviewed in detail any of the redundancy packages, nor is it appropriate that I do so. The detail of any redundancy is a matter between the company, individual employees and their representatives.

**2.14.1 Deputy T.M Pitman:**

I thank the Assistant Minister for his response however, as a shareholder with responsibility, could I put it to him that for the first offer, 80 people were needed, only 59 people applied for an offer of 2 weeks' pay per year served plus 20 per cent. For the second offer, 90 people were needed and the offer was reduced to only 2 weeks' pay per year, no 20 per cent. Only around a dozen applied, but this is the crux of the matter: people with long service who applied were refused on the basis that they did not fit the criteria so, in effect, the more loyal you had been to Jersey Post, the less they valued you. Could the Minister comment on that and whether he is not concerned with the responsibility as shareholder?

**Deputy E.J. Noel:**

To repeat, the terms of a redundancy package, be it voluntary or compulsory, is between the employer, the employee and their representatives. It is not for this House to try and micro-manage our wholly-owned subsidiaries. I think we are in an area where we are starting to tarnish the credibility of this Assembly in the minds of the public. We should be setting policy and direction and not micro-managing.

**2.14.2 Senator A. Breckon:**

Is the Assistant Minister aware that costs of Jersey Post, such as redundancy, executive salary, directors' fees and the like, are of concern to the public when service cuts are being proposed and does he think that the Minister for Treasury and Resources and himself should be more accountable rather than giving glib answers?

**Deputy E.J. Noel:**

Jersey Post, like many other postal services around the world, is facing an ever-increasing changing world. Jersey Post is grasping the circumstances that it is faced with and, unfortunately, voluntary redundancy packages will be part of their solution.

**2.14.3 Senator A. Breckon:**

A question, if I may come back to this. Does the Assistant Minister for Treasury and Resources and the Minister for Treasury and Resources think, in light of that, they

should be more accountable as to how public money, which is what it is, is spent rather than giving glib answers?

**Deputy E.J. Noel:**

The Treasury Department do hold the wholly-owned subsidiaries to account, they do hold regular meetings with those companies and so, yes, their feet are pushed towards the fire, but it is not our job to manage those businesses, it is the job of the management the directors of a business - to manage the business, not the Treasury and Resources Department.

**2.14.4 Senator A. Breckon:**

If I may come back. Does the Assistant Minister agree that he has some responsibility to the public as to how this money is spent rather than giving glib answers?

[16:30]

**Deputy E.J. Noel:**

I thought I had made it quite clear that that is exactly what we do: we have regular meetings with the subsidiaries and hold them to account, we do not micro-manage their businesses.

**2.14.5 Deputy M.R. Higgins:**

I would like to follow through on Senator Breckon's point about the concern. The public is very concerned about the future of Jersey Post and I think it would also be very concerned if it realised that the Chief Executive of Jersey Post earns £179,000 a year and has a turnover of £65 million whereas the head of the U.S. (United States) Postal Service earns £175,000 and has a £30 billion turnover. I think it would be most concerned about some of these figures and the way that this organisation is run. I believe that Ministers should take responsibility and make sure we have a properly-run service.

**Deputy E.J. Noel:**

No. I do not agree. The remuneration of the board of all the wholly-owned subsidiaries of the States of Jersey is subject to the Remuneration Board Committee. If I may delicately suggest, I believe that such questions in this question time, we have had 5 written questions today and one oral question about Jersey Post from members of a sub-panel of Scrutiny that are currently carrying out a review of Jersey Post ...

**Deputy M.R. Higgins:**

Can I interrupt? That is incorrect, I am not a member of the panel.

**Deputy E.J. Noel:**

No, you cannot interrupt. I would suggest that these types of questions should be undertaken in the formal Scrutiny process and not in this Chamber.

**2.14.6 Deputy M. Tadier:**

In that case, I will declare an interest because I am on that sub-panel; nonetheless, I think it is still valid that I be allowed to ask a question because these are separate roles. I would like to ask the Assistant Minister if he does acknowledge that it is misleading to talk of micro-management and the fact that we should not be intervening. Does he acknowledge that there is a nuance that the Assembly, on the

one hand, is a government and it may or may not be correct for us to micro-manage but, as a shareholder and the Minister for Treasury and Resources and the States Members who are represented by that shareholder, is it quite valid for us to ask these questions and that should not be confused with micro-management. Will the Assistant Minister therefore take those disparaging remarks back when a States Member is doing their job that they should be doing?

**Deputy E.J. Noel:**

I can only repeat that we should be setting policy and direction and not micro-managing.

**2.14.7 Senator S.C. Ferguson:**

Does the Assistant Minister not think that, perhaps, he should take notice of the operations of the New Zealand Post Office, which went through the same angst some 10 or 15 years ago, and turned in a profit this year? Perhaps he should but does he not think that, perhaps, he should be discussing companies like that with the Jersey Post management rather than going through the ... does he not think that there is room for a solid discussion on these matters rather than Jersey Post going off in all sorts of different directions, like Ship2me and MeMo?

**Deputy E.J. Noel:**

I agree with Senator Ferguson. Jersey Post needs to grasp the circumstances that it is facing. Postal services around the world are in decline, some diversification of their core business will be required. In my own personal view - and it is a personal view - the MeMo and the Ship2me, as an accountant looking at their business plan, did not stack up, but that is a personal view.

**2.14.8 Deputy T.M Pitman:**

Deputy Higgins has now stolen my thunder from my figures, however, could the Assistant Minister not at least comment? I know there is precedent for this because, after all, we are happy to pay a gentleman more than Barack Obama to turn our Waterfront into something less attractive than Beirut, however, is it not a concern to him, as being responsible to the shareholders, that the C.E.O. (Chief Executive Officer) of Jersey Post earns more than his equivalent for the biggest postal service in the world?

**Deputy E.J. Noel:**

We require Jersey Post's board of directors, along with all the other States-owned companies, to provide efficient, effective and affordable services to Islanders while providing an appropriate return to the States as a shareholder. The remuneration of executive directors is a matter for that company and the other States-owned business companies' remuneration committees. The Jersey Post Remuneration Committee sets the framework for the remuneration of the company executive directors. The committee comprises of at least 3 independent non-executives, the committee produces an annual report of the company's remuneration policy and practices and that would form part of the company's annual report. We should not be meddling in these affairs.