

**3.14 Deputy R.G. Le Hérissier of the Minister for Treasury and Resources regarding the establishment of a private sector rival to Ship2Me:**

Given the establishment of a private sector rival to Ship2Me, what restrictions, if any, exist to govern the business activities of senior executives who leave the publicly owned utilities and move to directly comparable activities?

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

I am advised that Ship2Me competes with a number of private sector operators, each offering different services. Market innovation, I would imagine, is something that all Members would want to encourage within the business community. The Treasury requires the directors of Jersey Post, and indeed all of the States owned entities, to operate their companies in an efficient and effective way. Jersey Post, like other commercial businesses, has restrictive clauses within its contracts but these are private to the parties concerned. The terms and conditions of employment of the company staff are a matter for the board, its employees and their representatives and I do not believe that it is appropriate for the shareholder to be involved in individual contracts for employment.

[11:15]

I expect the board to adhere to the highest standards of governance in all areas of management of the company and I am satisfied that they have done so.

**3.14.1 Deputy R.G. Le Hérissier:**

Which says precisely nothing. I wonder if the Minister could define what are the material differences between the newly set up private sector company and the activity which was headed up by the self same executive when employed by the public utility?

**Senator P.F.C. Ozouf:**

I do not believe that my answer said nothing. It said to that - and I will repeat it unless the Deputy did not hear it or did not understand it - that matters of terms and conditions and remuneration must be a matter for the boards, not for the shareholder. I am not aware ... and I have not researched the issue of a competitor company setting up to Ship2Me. Those are market issues which I do not think should involve the Minister for Treasury and Resources. I repeat also what I said that in terms of ... it would be I imagine - and I have not investigated it - that when departing executives leave, they have some restrictive restraints on trade that they have in their contract and these are normal issues, and I do not believe there is anything not normal that has happened in relation to Jersey Post contracts.

**3.14.2 Deputy M.R. Higgins:**

I hope, Sir, you will allow this because it is slightly to the side of ... do similar provisions ... for example, what provisions do they have for civil servants who leave our employment? Is there a restriction on their activities; senior civil servants leaving and then going into private sector things related to what they do?

**The Bailiff:**

Yes, I fear that is too far off. You can ask a question about that at another stage, Deputy. This is about a wholly-owned company. Senator Breckon.

**3.14.3 Senator A. Breckon:**

Would the Minister agree that an executive leaving Jersey Post would have a commercial advantage setting up another company if he had the inside information within a given time?

**Senator P.F.C. Ozouf:**

Yes, I agree that that is the situation and that is why entities are put in place and restraints of trade on departing executives for a period of time and, indeed, in respect of this particular matter - and I am not going to mention any names in this Assembly - I imagine that the restraint of trade will have well expired in terms of its time between the original departure of the executive and the setting up of this issue. But the Senator is right and I agree with him.

**3.14.4 Deputy T.M. Pitman:**

Following on from Senator Breckon and Deputy Le Hérissier's question, is the Minister not concerned, as I am, that in effect we are allowing Jersey Post to be destroyed from within and we are really doing nothing to prevent that in what is a very important and a social service to the Island?

**Senator P.F.C. Ozouf:**

I have absolute confidence in the board. Members might already be aware - I am not sure whether it is in the public domain - there are announcements that are being made either yesterday or today in respect of management structure changes to Jersey Post. Jersey Post has a difficult marketplace to operate but they are a well-run organisation and have a good amount of staff who engage in the business, and I am confident that they are going to be able to realign their businesses. Some of their expansive businesses have not worked; others have done. But it is important that we, as the owners of Jersey Post, give them all the encouragement we can to look after their existing business and expand where possible and where appropriate for the benefit of users, the staff and taxpayers.

**3.14.5 Deputy R.G. Le Hérissier:**

Would the Minister, as the shareholder and therefore not a passive representative in this whole process, agree to publish the terms under which senior executives leave and the period that is required of them where they are not allowed to emulate activity as was part of their job? Would he be prepared to publish those terms and play a much more active role as a shareholder?

**Senator P.F.C. Ozouf:**

I have already become a more activist shareholder as the owned entities will confirm. That is why I commissioned the Deloitte review and that is why I have pushed them in terms of efficiency, but there is appropriate activism and there is inappropriate activism and what he asks me to do goes beyond what is acceptable. I appoint boards, hold them to account, engage with the chairmen but let them get on and run the company. I suspect what the Deputy wants to do is run a committee. He used to be on the Committee for Postal Administration and that is perhaps why he asks questions regularly. He hankers after a role back on a Postal Committee so we have moved on. We have a board and I have full confidence in them.