



La Baguette Committee
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St. Brelade
Jersey JE3 8BS

Paul Hamilton
Jersey Competition Regulatory Authority
2nd Floor
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JE2 3RF.

Dear Mr Hamilton

Ref: Jersey Post. 'Size based pricing'

I write in response to the above consultation document, on which comments have been invited.

The proposals put forward by Jersey Post, I am sure have been well-researched, and at face value would seem to be justified if Jersey Post, in their own opinion, are to remain a healthy operation. It does however seem that the benefits will be largely enjoyed by Jersey Post themselves whilst the general public are (again) facing the prospect of some significant increases - despite assurances otherwise. Nor does the proposal seem to adequately address the handling problems Jersey Post cite as prompting their document. More on that later.

As Editor of 'La Baguette', the Parish newsletter for St. Brelade, the implications of the proposal, if approved, will put our community newsletter in serious jeopardy, and many other similar publications will also be under threat.

In accepting the realities of a project such as a Parish newsletter, it was crucial that the cost of production could be sustainably covered by the support of local business through advertising. To attract advertising there are four vital elements. One, quality, two frequency, three, cost, and four, if not the most important, guaranteed distribution.

St. Brelade is a large Parish, not just in terms of area, but also population. The only realistic method available to us that ensured a distribution level that would attract advertisers, was to post the newsletter to every home. We have done this successfully for the last three years – and it remains a 'not for profit' community project. Although we have made a modest surplus on each edition, this is soon absorbed by refreshments for our volunteer helpers, occasional bad debts and unforeseen expenses.

The Jersey Post proposal 'hikes' our postal cost from 36p per unit to 52p per unit – an increase of over 30% - rather more than the top end 27% claimed and in money terms, close to a £700 increase per edition.

Currently we need to raise approximately £3,500 in advertising revenue per edition to meet the cost of printing, labelling, enclosures and postage – with postage being the single most expensive component. Our Christmas edition was distributed to 4,207 addresses at a postage cost of £1,514.52. The proposal would raise that figure to £2,187.64.

It may be easy to suppose that additional costs can be covered accordingly by increasing advertising rates – or by seeking more advertising. However, postal rates are still subject to weight restrictions meaning that the opportunity to carry more advertising, possible only by increasing the size of the newsletter, is therefore negated. So, the reality is that we should need to impose a ‘sudden’ increase of around 35% on our current and loyal advertisers. In these circumstances I would comfortably predict less paid advertising (if any at all) resulting: no newsletter! I would hope that Jersey Post would at least understand The Law of Diminishing Returns.

While I make the case for St. Brelade, the urban Parishes, by virtue of their population, cannot feasibly distribute their newsletters and magazines, all or in part, by any other method and have a similar dilemma of economic viability. That is the prospect that St. Brelade will need to face if the Jersey Post proposal is approved.

One of the fundamentals of a democracy is the right of access to news and information. Parish magazines are becoming a vital community resource and information source. We must also take into account the publications of equal value and importance that are also posted to every household and business; the Consumer Council Newsletter and the Scrutiny Report for example. If all of these publications become uneconomically viable due to the cost of distribution, then the public are denied the right to information. Can we really allow Jersey Post to effectively put an end to newsletters?

I would counter-propose that Jersey Post management consider reducing their overhead and operating costs, no mention of which is made (as far as I can see) in any part of their submission. Monopolies tend regard such matters as a ‘Port of Last Resort’.

Jersey Post claim the proposal to be vital for the Island when it appears to me as merely an easy solution for Jersey Post. If they have a manual handling problem with ‘larger envelopes’ and the system needs to be mechanised, that is the issue that needs to be solved. That is achieved through Capital Investment - not by introducing a ‘price penalty’ to deter such mailings or ‘bolster’ an uneconomic process which are no real solutions at all.

Yours faithfully

Jeff Hathaway
Editor
La Baguette