

STATES OF JERSEY
Economic Affairs Panel
Tourism Board Review
Jersey Hospitality Association

MONDAY, 19th NOVEMBER 2012

Panel:

Deputy S.G. Luce of St. Martin (Chairman)
Connétable S.W. Pallett of St. Brelade
Connétable M.J. Paddock of St. Ouen
Mr. T. Oldham (Scrutiny Officer)

Witnesses:

Senator L.J. Farnham (President, Jersey Hospitality Association)
Mr. G. Fletcher (Chief Executive Officer, Jersey Hospitality Association)

[10:02]

Deputy S.G. Luce of St. Martin (Chairman):

If we are ready to start, we will kick off, and I will just start off with the usual compulsory notices about members of the public: if anybody wants to leave, do it quietly, if they could, please. No mobile phones, electronic devices switched off, and the new rule in Scrutiny is if you have an iPad and you would like to use it and it is relevant to the hearing you are welcome to do so, provided it is completely quiet.

Senator L.J. Farnham (President, Jersey Hospitality Association):

Can I access data on my ...?

The Deputy of St. Martin:

If you need to. If we could just start off by going around the table and introducing ourselves so we all know where we are this morning. My name is Steve Luce. I am the Deputy for St. Martin, Chairman of the Economic Affairs Scrutiny Panel.

Connétable M.J. Paddock of St. Ouen:

I am the Connétable of St. Ouen, Michael Paddock.

Mr. G. Fletcher (Chief Executive Officer, Jersey Hospitality Association):

Gerald Fletcher, Chief Executive, Jersey Hospitality Association.

President:

Senator Lyndon Farnham, President, Jersey Hospitality Association.

The Deputy of St. Martin:

Good morning. We are starting a little bit earlier than advertised, which is okay. I apologise for Connétable Pallett, who will be here shortly, but he had to go to the public hall, to his parish hall, to get some more papers, so he will be here immediately. Gentlemen, thank you for coming. The reason, as you know, for our quite quickly put together review is to look at the establishment of a shadow board for tourism and, as you know, the proposition is moving forward, and as a Scrutiny Panel, we decided we needed to look a little bit closer at it, so that it did not just go through *fait accompli*, and we are asking for relevant people in the industry to come forward with their views. The only thing I would stress is that we are looking particularly at the moment at the constitution or the make-up of this shadow board, how it will work, whether we need it, that type of question, and we are not particularly here this morning to discuss the strategy, which is something which will be coming on in the future. So our terms of reference involve the constitution, the purpose, the aims, the memorandum of understanding, rebranding of Jersey Tourism as Visit Jersey, implications for the staff that exist at Jersey Tourism at the moment, and to try to establish the views held within the tourism industry. I think specifically this morning we are concentrating - as well as other things - on the views held within the tourist industry and we are hoping very much that you gentlemen will be able to enlighten us a bit further. We have received some written correspondence from yourselves about the subject, but we just wanted to get a little bit further into depth as to your views on those particular points, so I think it is really a listening for us this morning rather than too many questions, but I am sure we will have some questions for you as we move on. So I will leave it up to you.

President:

If I can start first of all by thanking you for accommodating the request to change the time this morning. That is most helpful to me. I have to be at another appointment by 10.45 a.m., so thank you. Briefly, I will just explain the general consensus of the tourism industry, as they feel that the business of marketing Jersey as a tourism destination should be carried out by the private sector, and by the private sector I mean where strategy is not in the hands of political spheres of influence. I think this

goes back to 2005, in actual fact, when I was last a States Member and a Deputy and Vice-President of the E.D.D. (Economic Development Committee). It was one of the last things the Committee agreed, was the principle that the business of marketing Jersey should go out to the private sector, and a similar model to that successfully operated by Jersey Finance be established. So that was in 2005. There seems to be a bit of a void from 2005 to 2008, because I do not think it was considered a political priority at that time. However, since the incumbent current Minister for Economic Development has been in position, it has been on the agenda. So we are pleased that a board is being established, but slightly disappointed that we are going to have to go through the process of having a shadow board and not going straight to a full executive board, which would have been preferable for the industry. Having said that, and having spoken to the Minister on a number of occasions, I can understand why he wants to follow this route. I think he is taking perhaps a cautious road to ensure that the best use of the budget is attained in the short to medium term, and also looking for clarification from the shadow board that going to a full executive board would be the right move.

The Deputy of St. Martin:

Can I just take you back a couple of steps? You said that some time ago, the industry decided that the private sector should be marketing the Island without political interference. Can you elaborate on that a little bit more for us as to why ...?

President:

I said it was a general consensus.

The Deputy of St. Martin:

For the record, Connétable Pallett is just arriving at the meeting.

Connétable S.W. Pallett of St. Brelade:

Morning, gentlemen.

President:

Morning, Connétable. There is a general consensus among the industry. I will hand over to Gerald, who is Chief Executive, and he can perhaps be a bit more detailed about the industry's views.

Chief Executive Officer:

The background, as Senator Farnham says, is back to 2005, when at the time of ministerial government being introduced, the industry felt that it was a correct time to ask for a reappraisal of how Jersey as a destination was marketed and promoted, especially because of the highly competitive marketplace that we operate in and that all governments were recognising the importance of destination marketing, investing in brand building, marketing and promotion and so on. Essentially, it was seen that we needed a structure that would complement the activities of business and to give confidence to business operators to invest in the future, which over time they have done, significantly so. Hundreds of millions of pounds have been invested into the sector by the private sector, and obviously there was a call that with such money being invested that that private sector element should have a greater say, and the greater say should be incumbent on a private sector board as such to drive forward the strategy and the structure for the future. That was the rationale they had in the past. Some time has moved on, as our President has said, and we are now in a position where we would still like to have seen the P.P.P. (Public-Private Partnership) element of the operation continued, but we are accepting the rationale behind the creation of a shadow tourism board as proposed.

The Deputy of St. Martin:

Do you feel that the proposed shadow board can still be a stepping stone towards P.P.P. or do you see the shadow board as the direction that we are going in and that is where we will be in the future?

Chief Executive Officer:

I think one of the elements of the shadow board is to reappraise and review the structure that currently operates within the Jersey Tourism Department. That would be one of its first tasks and obviously as a result of what that investigation and review would deliver would obviously then set a course for the future as to whether it stayed as a public sector entity or a private sector operated entity.

The Deputy of St. Martin:

So you do not see the shadow board necessarily as a stumbling block towards P.P.P., more so maybe as a stepping stone towards P.P.P. potentially?

President:

Can I come in and be absolutely clear, as President of the Association, I see it and I am supporting it as a stepping stone. If I felt there was a hidden agenda - which I do

not believe there is, but if I felt there was one - to create a sort of compromise for a medium to long-term basis, we certainly would not be supporting it, so I very much hope it is a step towards an independent body for the business of marketing Jersey.

The Connétable of St. Brelade:

But do you not feel that the shadow board potentially has got too much political oversight, it is not independent enough?

President:

I believe these shadow boards, while they can be useful, and I think the move to the Ports Authority is probably a good example of where the shadow board has helped to advise and manage a smooth transition, I think they can be good for those reasons, but outside of that, I do not see there is much point in them. I mean, a shadow board, what is it shadowing, for example, in this instance? Unless it is there to manage and oversee the transition, then I do not see any point of it.

The Connétable of St. Brelade:

That sounds like a very short-term timespan.

President:

I hope so, yes, and the tourism industry hope that within 2 to 3 years, they will have come to the conclusion that the way forward is for a private board and to pull the business of marketing Jersey away from the political sphere. As Gerald explained very well before, there has been massive investment from the tourism sector into the economy and the tourism industry would like a little bit more say in how the Island is advertised and sold.

The Connétable of St. Ouen:

What do you think the members of this board should be made up of, because to me it seems a wide spectrum of people that could be involved. Who do you think might be ...?

President:

It is hard to be too prescriptive at this moment in time, but it is important that we have a good representation from the private sector and the local private sector. I think there needs to be room for tourism and marketing experts from overseas, perhaps

one or 2 seats, but as I said, we are quite openminded, as long as the expertise and the knowledge and experience is there.

Chief Executive Officer:

I think also we have said in our proposal that where there is a structure in place, we would like to see a little bit more representation from the private sector within the tourism industry in Jersey, where 2 members have been included in the make-up of the board. It is our view that we would like to see possibly 3 or 4 members from the local industry, because the local industry is such a diverse array of the businesses that are investing in the product.

The Connétable of St. Brelade:

But do you not feel that it is also because - and I have heard this comment made time and time again - that the local tourism industry has not been listened by E.D.D. and Government in general and it is about time that they were? Do you think that a realistic ... or do you think that is a comment that you would agree with?

Chief Executive Officer:

I think there has been some inroads with the creation of the Tourism Marketing Panel, which has obviously been a conduit to advising on future marketing strategy for the future, and I think that is potentially a step in the right direction, although we would like to see probably a revisit of the structure of that marketing panel. So I think the creation of more industry advice, especially on marketing and strategy et cetera, has been helpful, but I think to have a greater inclusion of local industry in the structure of a shadow board is something that the J.H.A. (Jersey Hospitality Association) would like to see. Where 2 people have been suggested, we would like to see a little bit more broad representation because of the money that has been invested in tourism, because of the commitment of businesses to the tourism industry and those people that are at the coalface every day trying to make their businesses operate. In light of what the tourism industry does, I think to have a little bit broader representation is the right way forward.

[10:15]

President:

May I add to that, please, Chairman? I think Mr. Fletcher has given a very professional and perhaps a bit too polite ... I will be a bit more frank. I am a member

of the Tourism Marketing Panel, and I believe it was set up with the right intentions, but in practice, it is my experience that we go along to the meetings and we are presented with what is happening and we can comment on that. I do not see it as a body where the advisers on the panel steer the direction of the marketing, but that is my own experience.

The Connétable of St. Brelade:

But is that just not the point in question though ...

President:

Absolutely.

The Connétable of St. Brelade:

... that it is a case of you are being told what to do rather than being asked what to do, so you would hope with the shadow board that there is enough independent private thought going into that, that that will feed on into the marketing panel to provide you, as an industry, with more opportunity to comment?

President:

I think that is the hope, but if the tourism shadow board is as effective as I hope it will be, I see the role of the Tourism Marketing Panel changing. I think there probably is still a role for a marketing panel, but a much more specialist marketing panel. Rather than having people like myself as president, I would like to see 3 or 4 expert marketers giving advice on marketing, because although I believe that as the President of the Jersey Hospitality Association I have a feel of the flavour for what we need, there are certainly people far more qualified than I to give direction in marketing.

The Connétable of St. Brelade:

Sorry ...

The Deputy of St. Martin:

No, no, just finish.

The Connétable of St. Brelade:

It sounds to me, summing that up, that the key issue here is how that shadow board is made up and who is on it, because it is going to have a major influence about how and which way it is steered. Would you say that is a fair comment?

President:

I think you can say the same about any institution or any style of group, the membership is going to be vital.

The Connétable of St. Brelade:

Just one point that I made previously, you would not want to see too much political interference on that shadow board?

President:

No.

The Deputy of St. Martin:

Okay, I would like to come back to other panels in a minute, but while we are talking about the marketing panel and marketing generally, Mr. Fletcher, 5 minutes ago you used the word: “confident” and you were talking about E.D. marketing, and you used the word: “confidence.” Can I be quite blunt and say how much confidence does the industry have in the marketing that is being done at the moment and has been done in the last few years?

Chief Executive Officer:

The marketplace has changed significantly, and obviously I think by bringing a private sector influence to decision-making as far as marketing and promotion is concerned will have an immense bearing on which direction Jersey takes for the future. I think we need to have change. The J.H.A. definitely is in favour of change in order to exploit current and future market trends, which obviously other destinations that compete with Jersey are doing very adequately with the support of their governments. So I firmly believe that we need this evolution in order to bring about a review, a new set of eyes looking at how things are done: is it right in the current marketplace rather than leaving the whole process with the responsibility of the public sector?

The Deputy of St. Martin:

So I take from that the industry are not 100 per cent confident in the view that is being taken at the moment as regards marketing inside E.D.D.

President:

Can I come in on that? Feel free to disagree with me, Gerald.

Chief Executive Officer:

Of course.

President:

I think it is fair to say that the industry does in general have confidence in the job that Economic Development are currently doing with tourism. The industry however would like more to be done. They are not happy with the continuous yearly decline in tourism visitor numbers and they feel now that something has to be done. Some plan, some strategy has to be put in place to stop that decline. When you look at the figures being predicted by the World Tourism Organisation that tourism is going to be one of the few world industries which is forecast for growth over the next 20 years, we really feel that Jersey should be doing something to get some growth to return back to the industry. So that is the only area where I think the industry would like to see action. We want to see a strategy and we want to see an organisation that is capable of delivering growth back to our tourism industry.

The Deputy of St. Martin:

Not wanting to put words into your mouth, but if you had to use the words: “proactive” and” “reactive”, how would you combine those in how you see things that have gone on in the last 4 or 5 years inside marketing for tourism? Are we proactive enough?

President:

We are proactive in certain areas and we are reactive in others. Sorry, I cannot be more specific than that.

The Deputy of St. Martin:

No, that is fine.

President:

I am reluctant to criticise the Tourism Department, because I think they do a reasonably good job of marketing with their dwindling resources, and I was pleased

to see that the Minister has drawn a line in the sand as far as a reduction in funding goes, but in reality, not only do we need to stop reducing funds, we need to find significant extra funds to invest in the sector.

The Connétable of St. Brelade:

You used 2 words there: “proactive” and: “reactive.” My view is - or I think the view of some people I have spoken to - that the industry itself has been very proactive. Individual hotels and groups have been very proactive, and it is the Tourism Department that have been reactive, they only react to a problem, they are not being upfront.

President:

I think that is slightly unfair. The industry has to be proactive, because if it was not, it would simply go out of business. If you are not proactive ... and we had a very useful meeting the other night to do with a group of small businesses, and they all said that they had to be. Their businesses are succeeding, in some cases only surviving, because they are being proactive, because they are working very hard and that is the same for the tourism industry. It has to be proactive, and in some instances, the Tourism Department are being proactive as well. They have to do an awful lot with a small budget, but in some other instances, they are having to be reactive and, for example, go back 2 or 3 years with the ash cloud, that is an example of them being reactive to a situation, and they are having to be reactive to other situations, but the bottom line is we are not seeing growth. We are managing a decline, and that has to stop.

The Deputy of St. Martin:

Are you confident there is scope for growth?

President:

Absolutely, on the grounds that Jersey is a superb tourism product and there is a very high level of satisfaction from people that visit us.

The Deputy of St. Martin:

Okay. I am just going to go back to something I wrote down 5 minutes ago here. On the make-up of the shadow board, and obviously we are hearing what you have to say about the level of private representation on that board, but it has been suggested to us also that another States department that could be represented on the shadow

board would be Harbours and Airports on the basis that every tourist that comes to the Island has to travel through one of our 2 ports. What would be your view on the Harbours and Airports' representation on the shadow board?

President:

My view is that there should not be a representative of the Government department or the Ports Authority necessarily on the board. Perhaps, as I would hope, the Director of Tourism or the Chief Executive of Visit Jersey would be an attendant at the board. I would hope the Chief Executive of the Ports Authority would also be in attendance or a senior officer in attendance at the board. I would certainly say that it would probably be useful to have an expert in transport or somebody from the transport sector on the board, but generally we are against ... it has been suggested that the Visit Jersey - or the Jersey Tourism Department, which became Visit Jersey - could be subsumed into the Ports Authority. We are certainly against that. We think it is vitally important that tourism is standalone, or Visit Jersey is standalone, and retains its own identity.

The Deputy of St. Martin:

So to be quite clear, you do not see Harbours and Airports having a seat on the board, but you would imagine them sitting around the table in an officer capacity?

President:

Officer representation, yes.

The Deputy of St. Martin:

Okay.

The Connétable of St. Brelade:

Do you see that purely because it is in a situation - I think it has come to light as we have been discussing it - of there may be some conflict of interest between the tourism shadow board or tourism industry and Harbours and Airports, because Harbours and Airports have got a definite direction? They are now looking to make as much profit as they can obviously for the shareholder, which is the States, but do you see any potential conflict in tourism obviously having a strategy which may be to get more visitor numbers in, i.e. more low-cost airlines, this type of thing, and that may fly in the face of what Harbours and Airports are trying to do? Do you see a conflict there?

President:

I do not. I mean, there is the potential for a conflict, but I would hope that both sides will realise that partnership is essential, because the Ports Authority will only prosper, will only survive if we maintain or increase our visitor numbers, and they have to do that in partnership. So I do not really see there being a conflict, but I hope that a very close partnership develops.

The Connétable of St. Brelade:

So it is important then for you, as the Chairman has said, that Harbours and Airports have a role to play within the shadow board, maybe not on the shadow board, but certainly ...

President:

Of course. I mean, the Harbours and Airports, the Ports Authority have a major role to play in the development of tourism in terms of the product they run is the gateways to Jersey, both by air and sea.

The Deputy of St. Martin:

We have spoken briefly about the Tourism Marketing Panel, and they are a panel which is probably going to sit under the shadow board. In the proposition, there is also talk of other potential panels, sub-panels, sub-committees, call them what you like. Do you agree with that idea, and if you do, how would you see other panels or who would you see other panels representing or what would you see other panels representing?

President:

At the risk of doing all the talking - Gerald, I promise to let you come in in a minute - let me just take this one. This is one of the problems I have got. I do not see that we should be making these choices now for the shadow board. I think the Tourism Strategy Panel and sub-committees and so on should be decided by the board, the tourism board or the shadow board, when they are put in place. It slightly worries me now that ideas are coming, I presume, from the Economic Development Department to put a structure in place around the shadow board before the shadow board has been established. Now, if we are going to take the shadow board seriously, we need to appoint the chairman, the chairman needs to work hard to put a board together and then that board needs to plan its strategy accordingly.

The Connétable of St. Brelade:

But that was my specific point about political interference. This is E.D.D., Economic Development Department, putting in place what it wants rather than maybe what the industry wants, and that is the worry that I have, is that it will be too controlling, E.D.D. will be too controlling. Do you see a risk in that?

Chief Executive Officer:

I think going back to the composition of the board, as the President says, it is very important to let that board operate in a clear, effective way, hence the reason why we are in a consultation process with the new tourism strategy. The J.H.A. went back to Economic Development and said: "First of all, we think that the strategy should not be contemplated prior to the shadow board being appointed, because why should a shadow board inherit a strategy that it had absolutely no say or no decision-making over?" That is our particular point, that when the sub-panels and sub-committees and various things like that are being considered, as far as the J.H.A. is concerned, that is a zero option as far as we are concerned which should not be considered until the new shadow board has been appointed.

The Connétable of St. Brelade:

So you very much want to see the shadow board to have a clean slate ...

Chief Executive Officer:

A clean slate. You know, you do not want to inherit anything from the past. As we said, the tourism industry will survive at the moment, it will continue, it will continue in the face of adversity, it is a very resilient industry, and from that perspective, leave it alone. We do not need a new tourism strategy per se at the moment. What the tourism shadow board, Visit Jersey shadow board has to be charged with as one of its first operational directives is to do 2 things. One is to formulate a new strategy, and the other, which really hinges on a lot of the comments that you are asking us to comment on, is the review and possible restructure of Jersey Tourism in its current operational mode.

President:

To be clear, we said we do need a tourism strategy, because what I think Gerald is saying is whether it is now or in 6 or 12 months' time, it is not important. So we do

need one, but it does not have to be done now. We are quite happy for the new arrangement to be put in place and then work on the new strategy start.

Chief Executive Officer:

The previous tourism strategy from 2004 and 2005, a lot of it is still very fit for purpose. A lot of the industry are still operating it too, and we certainly did not want to see a new board inherit something that had been devised and designed and handed to them as something that they had to get on with. I think that just gives them no credence at all to deliver what we need as an industry. I mean, we talked earlier about the financing of the industry et cetera. It is nice to see the ringfencing of the budget for the next 3 years, that is good news for the industry, but as our President says, we need to have greater investment. Other destinations are investing significantly, and although there is a growth plan within the Visit Jersey shadow board of £250,000 a year, in real terms that is small change in comparison to what other destinations are investing in the product, and with £500,000 going into the T.D.F. (Tourism Development Fund) as well, again with private sector being allowed to enter into the T.D.F. format, £500,000 is not a lot of money in real terms for an industry that produces something like £250 million of economic value to Jersey as an Island.

[10:30]

The Deputy of St. Martin:

I did not want to stray too much away from the terms of reference, but we are talking about finance here, which is something different, but I will take the opportunity to ask you one question which is a little bit outside the terms of reference, but anyway. It is about we have a £6.6 million budget for tourism. Do you as an industry feel that we are getting value for money for our £6.6 million?

Chief Executive Officer:

I believe that a review has to take place on an annual basis of what value have we got from that investment, certainly. I think when you bring a private sector element into that equation, there would be a much more vigorous review process in seeing how the bang for the buck went, and basically I think that is another constituent of why we need private sector involvement in the future direction of marketing and promotion.

President:

In answer to your question, I think we are getting value, but arguably we could be getting more value.

The Connétable of St. Ouen:

Do you see there is a role for the shadow board to oversee this yourselves, the financing and the way the money is spent you would want as a key ...?

President:

I think the board will have to, if it is going to have credence. It will have to set the policy and agree the strategy and that will ultimately direct how the finances are utilised.

Chief Executive Officer:

And the budget.

The Deputy of St. Martin:

I am going to move on to slightly just go back to one of our terms of reference, which is the rebranding of Visit Jersey. Can you just give us some of your views on that? We have asked the Minister how important it was, whether it was a significant step. What do you feel about the money that is going to be spent on that rebranding?

President:

I think it is probably necessary. Ironically, the Visit London, the Visit Britain, the Visit models, they are sort of 10 years old now, and they are all coming out of that and we are just going into it.

The Deputy of St. Martin:

So this is a case of reaction rather than proactive?

President:

I am just wondering whether we should just take a rain cheque. We need a new organisation, we need a new branding, we need a new name, but rather than go straight into the Visit Jersey and take it as a fait accompli, again I think the Tourism Board should be given that project and say: "Right, how shall we rebrand ourselves?"

The Deputy of St. Martin:

So you see the branding very much as part of the strategy which the board are going to influence and they are going to take what they have got, which we accept you certainly as an industry feel is a good basis, but you would be looking for the new shadow board to start tweaking bits and pieces and looking to change direction in certain areas?

President:

Yes.

Chief Executive Officer:

Definitely. The scope, the direction, the strategy, the budget, everything has to be driven by the new shadow board, including the brand. I mean, they may decide that we should be doing something much more modern, especially if we introduce the marketing person on the board, the marketing expert that is being proposed as part of the constitution of the board. That person surely must bring a branding, a marketing, a promotion type of concept to the review of Jersey Tourism and whether or not it needs a name change or whether or not it needs to be going down a different direction.

The Connétable of St. Ouen:

But do you see the London Visit has had its day, you think that is ...?

President:

I think I have enough confidence in the Visit London and the Visit Britain and the Visit Wales models to listen to them. If they feel that their model has had its day and they want to rebrand now, I think then there is probably something in it.

The Deputy of St. Martin:

But is the model itself always the same, the name at the top of the sheet just changes or could it be ... I mean, we have got Jersey Tourism at the moment. We are proposing to replace it with Visit Jersey, but will nothing change underneath except the name at the top of the sheet of paper?

President:

I very much hope it will be a complete change, a complete step change in the way we approach the business of marketing this Island as a tourism destination.

Chief Executive Officer:

The Visit name is something that the consumer will Google. I mean, if they want to go to Mexico or something like that, they will say: "Visit Mexico" and normally up will come the Mexican Tourism Board or something, and from that perspective, it is still something that is in the mind of the consumer, and it is important that the consumer identifies what the right message is to create an interest in looking at Jersey to essentially become a visitor in the future. So I think that is all part of the review process that has to be carried out.

The Connétable of St. Brelade:

In terms of the working relationship between the shadow board and E.D.D., the memorandum of understanding spells out certain issues, but I just pick one point here: "The executive will consult the shadow board to define a business plan" and then later on, the E.D. Minister will, if necessary, upon consultation, amend that very business plan. Do you feel that is too much interference from the Minister?

President:

I would hope he would not. I would hope that the Minister would not interfere with the business plan, but I have to say that in my opinion, and I believe I speak for the majority of the tourism industry, we very much hope that this will be a stepping stone, and the Minister will be brave enough - or should I say bold enough; I am sure he is brave enough - would he be bold enough to take that step and hand over the future, the destiny of tourism to the people that know how to do it best?

The Connétable of St. Brelade:

Do you think this document ... I know it is only a draft document, but the actual memorandum of understanding, do you think that there is still scope between E.D.D. and the shadow board to redefine what they consider to be this working relationship, because it looks as if they have already put something in place without consultation with the shadow boards. For you, would this be a document that still needs to be fleshed out?

President:

It is a draft document and we hope to be able to have some more input into its final version, but I have not been giving too much credence to that document because we are of the opinion and understanding that the first job the tourism shadow board will be tasked with would be to do a study to establish the way forward, whether it is still

a shadow board or full executive board, and that is our understanding, in which case then that work will have to start again.

The Deputy of St. Martin:

But it will be important to make sure that that memorandum of understanding is not too restrictive, which you cannot have the memorandum constricting the board in changing direction in the future if they feel they need to.

Chief Executive Officer:

Quite, quite.

The Connétable of St. Brelade:

That is the importance to having a strong chairman for this particular board, to ensure that they work under a remit that they find acceptable, rather than under a remit that the E.D.D. find acceptable.

President:

Absolutely, hence the make-up and selection of the board is absolutely vital, because we need a strong leader, strong leadership.

Chief Executive Officer:

Can I just say, at point 11 in our summary to yourselves, it was our understanding that the shadow board will properly align with the tourism industry and it would see very little States of Jersey involvement or interference, and I think that must run through the whole ...

The Connétable of St. Brelade:

That is a strong comment.

Chief Executive Officer:

Yes, strong comment, and it is something that the industry is totally supportive of, and as our President says, what is the point in a shadow board if it has got constraints emanating from Government, and that is why we ... you know, that what has been sold to us as part of this process is that there would be very little States of Jersey involvement, and we would like to see the board formulate the strategy, the budget, that whole process, working with the Executive to deliver increased visitor numbers for Jersey and obviously an increase in business.

The Deputy of St. Martin:

But out of choice, you would then prefer not to have the final decision left with the Minister, you would prefer the final decision to be left with the board?

President:

Well, point 12, just to clarify the Constable of St. Brelade's point, we said: "As part of the operational process, the shadow board would be asked immediately to re-examine Jersey Tourism's operation in detail with a view to restructuring the department by way of remaining in the public sector or becoming a private organisation" and I would think ultimately that would probably be a decision for the States.

The Deputy of St. Martin:

I was just about to move on to that.

The Connétable of St. Brelade:

On advice from the shadow board?

President:

Well, hopefully the shadow board would give advice to the Minister, the Minister would bring a proposition to the States to seek support. I am not sure whether he has to. He might be able to do this under ministerial authority, but it would perhaps be sensible to get endorsement of the States of Jersey, so then the new organisation would feel it had a really strong mandate to go out and do its job.

The Deputy of St. Martin:

We know the industry's views on P.P.P. and your enthusiasm for that. We have spoken a little bit about how the Harbours and Airports shadow board and how Harbours and Airports are working. Would you see in the future the shadow board working in a similar way to Harbours and Airports, where all the staff who currently work for E.D.D. in a tourism capacity would transfer to the private sector and work under the shadow board, rather than work within E.D.?

President:

I would think that would have to happen if you want a truly independent organisation.

The Connétable of St. Brelade:

Can I just go back to a comment that you mentioned before about the length of time or term of this shadow board? I think you are right to say you think it was more of a short to medium term ...

President:

Well, I would be disappointed if we still had a shadow board in 2 to 3 years' time. I would like to think they could do their initial work, come quickly to make a recommendation to the Minister, hopefully that Jersey will be better served and Jersey Tourism would be better served by becoming a private organisation, and I would then hope the Minister would seek ratification of that in short order.

The Connétable of St. Brelade:

I only mention that because obviously point 4 of the memorandum - and I know it is only a draft - mentions a rolling 3-year term, so obviously they do not look at it as a short-term ...

President:

I think they are having to cover their bases, are they not? I mean, I think they would be criticised if they did not have a document that could stand the test of time, because arguably the board might come back and say: "No, a shadow board arrangement is the right way forward". So I think they are really covering their bases there.

The Connétable of St. Brelade:

Your view is clear.

Chief Executive Officer:

I think one thing the industry would not accept though or would find difficult to accept is a prolonged process. I mean, you have to remember it was in 2005 that the J.H.A. brought the P.P.P. proposal to Economic Development as a suggested way forward in light of the creation of ministerial Government and changes in the actual tourism marketplace as something that was essential for the future. I think continuing delays in working towards the end result is not something that I think would be totally acceptable to the industry.

The Connétable of St. Brelade:

So in many ways you see us heading towards ... I mean, from a tourism point of view in Jersey, we are very much heading towards D Day?

Chief Executive Officer:

I think what we are heading to is back to where we are saying the nub of the whole thing is, is this shadow tourism board will be the decision-makers. They will be the people that will provide the information, having done a root and branch review of exactly what is required for the future of tourism for the future and basically will bring it back as a suggested format.

The Deputy of St. Martin:

So you would hope that inasmuch as we will start off in the same way as Harbours and Airports that the shadow board for tourism would come to a view that would take them down a different direction, because I think certainly with Harbours and Airports, it would appear that we have a shadow board which is looking to carry on existence in an advisory role to the executive of Harbours and Airports.

Chief Executive Officer:

Our position is that the review would then decide whether this was an entity that would stay either in the public sector or would move to the private sector.

The Deputy of St. Martin:

But would you conceive of a possibility of the shadow board carrying on, the shadow board making the decision that a shadow board was a good idea and should carry on into the future?

President:

Can I take that? Hopefully the shadow board will carry on, but not as a shadow board, with the word: "shadow" removed and as a full executive board.

The Connétable of St. Brelade:

A P.P.P. board.

Chief Executive Officer:

Executive board, yes.

The Deputy of St. Martin:

I am not looking at my BlackBerry to see my emails. It is just that the clock in here is not working. It is now just after 10.40 a.m. I am conscious that the Senator has to go.

President:

I was going to ask if I could seek your permission to leave at 10.45 a.m.

The Deputy of St. Martin:

That is fine.

President:

Thank you, and if you would like to keep Mr. Fletcher here for a bit longer, I am sure he would be ...

Chief Executive Officer:

Happy to stay, yes.

President:

... happy to stay.

The Connétable of St. Brelade:

Just on the make-up of the board, because that is something we asked the Minister about in terms of the chairman, it is obviously a very, very important role. Is that something that is best done from somebody with almost like a blank canvas from outside the Island? Do you see that being driven from here?

President:

A bit of both, really.

The Connétable of St. Brelade:

In terms of the chair itself?

President:

I think the chair needs to have strong local knowledge. I think the important placement will be that of a new chief executive and the executive team. I think that is where we are going to need a new set of skills.

The Connétable of St. Brelade:

In the same sort of way Harbours and Airports have, we need to have a chief executive with the sort of pedigree that somebody like Doug Bannister has got, for example ...

President:

I would say so, yes. That is not a criticism of the existing team, but we have to face the facts. If we are going to turn this industry around and rejuvenate tourism, then we have to make a fresh start.

The Connétable of St. Brelade:

But there may be a role for somebody outside the Island, for a chief executive role.

President:

It could be. For the industry, that is a really important placement, but we feel that the chairman of the board needs to have strong local knowledge.

The Deputy of St. Martin:

Do you have a particular subject in mind when you think of importing people from outside of the Island with different views? I mean, would marketing be a particular direction where you feel somebody from outside could come in with some new ideas?

President:

I think probably business development is a good one, but I do not feel qualified enough to list down all of the attributes we are looking for. What I will say, at risk of repeating myself, is we want somebody who knows about turning business and turning industry around, because it is unacceptable to me, as President of the Jersey Hospitality Association, to me as a Senator of the Island of Jersey, to the industry we represent and probably to most of the people, it is not only a concern but a puzzle why such a good product like Jersey is managing a decline in tourism when most of the rest of the world have managed to grow their tourism. That is the all-important thing.

[11:45]

We want somebody who can turn this around and at least stop the decline in the short term and then look to creating some growth, and that is what we want. I hope that is not being too demanding.

The Connétable of St. Brelade:

You need to be demanding.

The Deputy of St. Martin:

Gentlemen, I think we have covered all the points, and I think we have probably got your views exactly on the subjects that we needed them. We are quite clear about the make-up of the shadow board. I imagine what you are saying is you would like this work done as quickly as possible, but at the same time you accept that the strategy is in place and does not need to be replaced in 6 months' time.

Chief Executive Officer:

I think it is important to say as well that the marketing plan for next year will be virtually completed at this stage. We are almost in December, and the work that Jersey Tourism will be carrying out for its 2013 campaign will be pretty much ...

President:

Pretty much put to bed now.

Chief Executive Officer:

... put to bed, so the need for the strategy is even more contingent on a new shadow board being the actual authors of that strategy.

The Deputy of St. Martin:

I think we understand that the new board are going to influence the 2014 campaign and not the 2013 campaign, obviously, but from a professional perspective, how quickly do you feel the board would need to come up with some changes for the 2014 campaign next year? I mean, how essential is it to give the board 6 months, for example, to do their work? When would the campaign need to be finalised next year to have an influence on 2014? I mean, do we need to have the board in place by February/March?

President:

You need to have the board in place by the end of the first quarter for it to stand any chance of having that big influence on the 2014 campaign.

Chief Executive Officer:

It is not just the campaign. It is also the review, the restructure, the potential restructure of how Jersey Tourism operates.

The Deputy of St. Martin:

But I just want to get a feel for the timeline for the 2014 campaign.

Chief Executive Officer:

Yes, sorry to interrupt, but with private sector involvement, I am sure speed will be of the essence in that decision-making.

President:

May I ask permission to leave?

The Deputy of St. Martin:

Well, I was just going to ask if the Constables had any further questions, because I think we ...

The Connétable of St. Brelade:

No, I think we have pretty well covered everything.

Chief Executive Officer:

You have had a copy of our paper ...

The Deputy of St. Martin:

We have, yes.

Chief Executive Officer:

... which is really setting out how we see things operating at the moment, which is our policy at present. But speed is of the essence, let me clarify that.

President:

Can I finish by just thanking Gerald for all his assistance and thanking the Scrutiny Panel for asking us here today, and just clarify that we are not being overly critical of

the Tourism Department. We understand the team there are working to the best of their ability with the resources they have, and the object of this is to be productive and to create a model that can stand us in good stead for the future.

The Deputy of St. Martin:

Thank you, gentlemen, for coming and I will declare the hearing closed.

Chief Executive Officer:

Thank you.

The Deputy of St. Martin:

Thanks, all.

[10:48]